

**DRINKING WATER SYSTEMS IMPROVEMENTS  
REVOLVING LOAN FUND PROGRAM**

**FINAL**

**FY-2002 INTENDED USE PLAN**

**ADOPTED**

**DECEMBER 17, 2001**



**LOCAL GOVERNMENTS AND RURAL WATER SYSTEMS**

**IMPROVEMENTS BOARD**

**P. O. BOX 1700 SUITE U-232**

**JACKSON, MISSISSIPPI 39215-1700**

LOCAL GOVERNMENTS AND RURAL WATER SYSTEMS IMPROVEMENTS  
BOARD DRINKING WATER SYSTEMS IMPROVEMENTS REVOLVING LOAN FUND

FINAL FY-2002 INTENDED USE PLAN

TABLE OF CONTENTS

| <u>Section</u> | <u>Title</u>   | <u>Page</u> |
|----------------|--|-------------|
| I.             | Goals of the DWSIRLF Program   | 1           |
| II.            | Information on DWSIRLF Activities to be Supported                          | 2           |
| III.           | Coordination Schedule for Jointly Funded Projects                          | 3           |
| IV.            | Final FY-2002 Priority List and Priority System                            | 11          |
| V.             | Final FY-2002 DWSIRLF Project List with Detailed Project Information       | 33          |
| VI.            | FY-2002 Assumed Available Funds  | 35          |
| VII.           | DWSIRLF Financial Planning Process   | 35          |
| VIII.          | State Set-asides   | 36          |
| IX.            | Proposed Payment (Federal Letter of Credit) Schedule                       | 38          |
| X.             | Projected Schedule of Drawdowns Against Federal Letter of Credit (Outlays) | 38          |
| XI.            | Certifications   | 38          |

## **FINAL FY-2002 INTENDED USE PLAN**

### **TABLE OF CONTENTS - Cont.**

#### Appendices

|           |   |    |
|-----------|---|----|
| <b>A.</b> | <b>State of Mississippi DWSIRLF Program</b>                                   |    |
|           | FY-2002 Assumed Available Funds   | 41 |
| <b>B.</b> | Projected Schedule of Outlays (\$ Millions)                                   | 43 |
| <b>C.</b> | Attachments for DWSIRLF Loan Application Package                              | 45 |
| <b>D.</b> | Mississippi Administrative Procedures Law                                     | 47 |
| <b>E.</b> | State of Mississippi Small Systems Technical<br>Assistance Set-Aside Plan     | 53 |
| <b>F.</b> | State of Mississippi State Program Management<br>Set Aside Annual Workplan    | 57 |
| <b>G.</b> | State of Mississippi State Program Management<br>Set Aside Match Requirements | 59 |

## I. Goals of the DWSIRLF Loan Program

The Local Governments and Rural Water Systems Improvements Board (Board) has established certain goals for the Drinking Water Systems Improvements Revolving Loan Fund (DWSIRLF) Loan Program. Short term goals included establishing the DWSIRLF Loan Program and setting in place priorities and procedures which will meet the long term drinking water improvement goals of the Board, while keeping in focus the need to attract public water systems to the program and insure the use of all available funds. To the extent reasonably practical, this program has been structured to coordinate with other available funding programs within the State, particularly the Community Development Block Grant (CDBG), Appalachian Regional Commission (ARC) and Rural Utilities Service (RUS) programs, in order to make available the opportunity for joint funding of projects should communities desire such an arrangement. The coordination procedures for DWSIRLF projects funded jointly with the CDBG, ARC, and/or RUS program are found in Section III.

Long term goals include: maintaining a financially sound DWSIRLF in perpetuity; meeting a substantial portion of the drinking water needs in the State within a reasonable period of time; and funding projects in order of public health importance as established by the Board, while continuing to maintain a program that is attractive to the public water systems in the State. Essential to achieving these goals is the determination of an interest rate and loan repayment term which will generate sufficient fund income to meet the State's needs within a reasonable period of time, but which is significantly better than private sector funding, so as to bring public water systems to the program and insure use of all available funds. Toward this end, the Board intends to implement the program as further described in Section II. The long term priorities for funding are described in the Priority System in Section IV, which places first priority on projects that will bring existing drinking water facilities into compliance with national primary drinking water regulations and address the most serious risks to human health, as required by the federal Safe Drinking Water Act (SDWA). Other project categories will be funded in order of priority as established within the Priority System, and as available funds allow. All projects must be demonstrated to be technically and environmentally sound through completion of a facilities plan, and its subsequent approval by the Mississippi Department of Environmental Quality (MDEQ) on behalf of the Mississippi Department of Health (MDOH).

The basic framework under which the Drinking Water Systems Improvements Revolving Loan Fund (DWSIRLF) Loan Program operates is established by two documents. The first document is the Drinking Water State Revolving Fund Loan Program Operating Agreement (Operating Agreement) between the Mississippi State Department of Health and the Environmental Protection Agency, Region IV. This Operating Agreement was agreed to by both parties and approved on August 10, 1998. The Operating Agreement establishes the basic framework of the DWSIRLF that is not expected to change from year to year. The second document is this Intended Use Plan (IUP) which includes a list of projects proposed for assistance, information on DWSIRLF activities to be supported, criteria and methods for disbursing DWSIRLF funds, and assurances. If anyone would

like to receive a copy of either of these documents they should contact Chan Burns at (601) 576-7518 to request copies.

## II. Information on DWSIRLF Activities to be Supported

The Board has determined that the following will apply to the DWSIRLF loan program, subject to compliance with the DWSIRLF loan program regulations:

- a. Eligible/allowable project costs will include those project costs that are eligible, reasonable, necessary, allocable to the project, within the established project scope and budget, in conformance with the DWSIRLF regulations and approved by the Department of Environmental Quality.
- b. Loan applicants will be limited to one loan per year.
- c. DWSIRLF loans may not exceed \$1,500,000. as established by State law.
- d. The only type of assistance to be provided under the DWSIRLF loan program will be loans to public entities which are authorized under State law to collect, treat, store and distribute piped water for human consumption, and to enter into a DWSIRLF loan agreement, and which have the ability to repay the DWSIRLF loan; for the construction of eligible drinking water production, treatment and distribution facilities.
- e. All loan terms will be at a 3.5% annual interest rate, compounded monthly, with a maximum 20-year, or less if requested by loan recipient, repayment period. The interest will not apply during the original construction period and will commence at the completion of the original construction period.
- f. DWSIRLF loan participation will be at 100% of eligible project costs, less any funding made available from other agencies for these same eligible project costs.
- g. Refinancing of debt for allowable construction that was incurred and building performed prior to the date of the DWSIRLF loan award and for other allowable project costs incurred prior to loan award will be DWSIRLF loan eligible provided:
  - The debt for construction was incurred and building was initiated on or after October 1, 2001.
  - The project is in compliance with all applicable DWSIRLF loan program regulations and obtains Department of Health or Department of Environmental Quality approval of all applicable documents prior to award of the DWSIRLF loan.

- The prospective loan recipient agrees that by pursuing such a refinancing arrangement, he proceeds at his own risk and relieves the Board, the Department of Health, the Department of Environmental Quality and the Departments' staff of all responsibility and liability should such costs later be determined unallowable for any reason or should such funding not become available for any reason.
  - The prospective loan recipient agrees that by pursuing such a refinancing arrangement, no future commitment of funding a refinanced project is provided, nor is any commitment provided for future funding at a particular interest rate or loan term. Such determinations will be made in the Intended Use Plan for each fiscal year.
- h. Costs for DWSIRLF program administration will be set aside for up to 4% of the cumulative federal capitalization grants to the State under Section 1452(g)(2) of the Safe Drinking Water Act, and as may be further amended. An administration fee of 5% of the original eligible loan amount will be charged to all FY-2002 loan recipients. This administration fee is an eligible DWSIRLF loan cost and will be included in each loan agreement. Should any loan for a certain project be terminated and later awarded again, the new administration fee will be based upon the current eligible loan amount in the new loan award, allowing credit for any previously paid administration fees.
- i. Project detail information for the FY-2002 DWSIRLF projects is shown in Section V of this Intended Use Plan (IUP).
- j. The FY-2002 Priority List expires on September 30, 2002. Projects listed in the FY-2002 Priority List that do not receive funding by this date will not be funded under the FY-2002 funding cycle, and will be subject to the requirements of the FY-2003 or subsequent Intended Use Plans and Priority Lists.
- III. Coordination Schedules with Other Funding Sources on Jointly Funded Drinking Water Projects.
- A. Coordination of Drinking Water Systems Improvement Revolving Loan Fund Program and Community Development Block Grant (CDBG) Program on Jointly Funded Drinking Water Projects.

General guidance regarding DWSIRLF/CDBG coordination: Communities that receive an FY-01 CDBG award by September of 2001 for design and construction costs will be on a compatible schedule for FY-2002 DWSIRLF funding provided the facilities plan, design and loan application process have been completed and the DWSIRLF loan is awarded prior to December 31, 2001. Communities that receive a FY-02 CDBG award by September of 2002 for construction costs only will also be on a compatible schedule for FY-02 DWSIRLF funding provided the facilities plan and design have been completed.

The Board will not award a DWSIRLF loan to a jointly funded drinking water project until the CDBG award for construction has been awarded or until the Department receives assurance from the Mississippi Development Authority (MDA) office that the jointly funded drinking water project falls within the funding range for CDBG award contingent upon matching funds being in place.

If CDBG grants for jointly funded drinking water projects are not awarded by the end of the fiscal year (September 30, 2002) and all other priority system requirements have been met and the project is otherwise ready for a DWSIRLF loan award, these projects will be ranked in the Previous Year Standby Projects Category for FY-2003 DWSIRLF funding.

FY-2002 DWSIRLF and FY-2002 CDBG Construction Project Schedule\*

- |             |  |
|-------------|--|
| 10/01/01**  | Loan applicants submit complete DWSIRLF facilities plan to MDEQ. The plan must indicate anticipated CDBG funding and must indicate if the loan applicant intends to proceed with the project; 1) only if CDBG funds are received, or 2) regardless of whether CDBG funds are received. |
| 11/01       | MDEQ sends out Draft DWSIRLF FY-2002 Intended Use Plan.  |
| 11/01       | Loan applicants start design.  |
| 11/15/01    | MDEQ notifies MDA of loan applicants who have submitted facilities plans which indicate anticipated FY-2002 CDBG funding.  |
| 12/01/01**  | Loan applicants submit Intergovernmental Review (IGR) and public hearing comments to MDEQ.   |
| 12/01       | Board adopts FY-2002 DWSIRLF Intended Use Plan, accounting for anticipated CDBG award amounts if identified in facilities plan.  |
| 12/31/01    | Deadline for receiving a FY-2002 DWSIRLF loan which will be used to provide local match for a FY-01 CDBG grant for design and construction costs.  |
| 01/01/02    | MDEQ notifies MDA of projects included on the final FY-2002 Priority List that anticipate receiving CDBG funds.  |
| 01/02-11/02 | CDBG program application workshops.  |
| 3/01/02     | Deadline for a CDBG grant applicant to submit a water viability review form to MDA.  |

- 03/06/02 Deadline for loan applicants to submit DWSIRLF loan applications to MDEQ for the total DWSIRLF eligible cost, less amount of anticipated CDBG award to be applied to the DWSIRLF eligible costs.
- 03/07-08/02 CDBG public facilities applications, along with one copy of the DWSIRLF loan application with maps and appropriate attachments, will be accepted from 3/7/02 until 4:00 p.m. on 3/8/02.
- 03/14/02 MDEQ provides notification to MDA that complete DWSIRLF loan applications have been received.
- 04/01/02 MDA provides notification to MDEQ that complete CDBG applications have been received.
- 04/01/02\*\* Loan applicants submit design documents to MDOH.
- 07/08/02 MDA notifies applicants whether their project falls within the funding range for CDBG grants for construction contingent upon matching funds being in place.
- 07/31/02 MDA provides notification to MDEQ of which projects falls within the funding range for CDBG grants for construction contingent upon matching funds being in place.
- 8/1/02\*\* All approvable documents and responses to comments necessary for loan award must be submitted to the Department for its review and approval.
- 05 - 09/02 If loan applicant desires DWSIRLF loan award prior to CDBG award, loan applicant must provide MDEQ with a copy of letter from MDA which states their project falls within the funding range for a CDBG grant for construction contingent upon receipt of matching funds.
- 05 - 09/02 Loan applicants receive DWSIRLF loan awards from Board. The amount of the loan will be the total DWSIRLF eligible cost less the CDBG award amount to be applied to DWSIRLF eligible costs.
- 10/15/02 MDEQ provides notification to MDA that DWSIRLF loan awards have been made.
- 10 - 12/02 Loan recipients advertise for construction bids.
- 01 - 03/03 Loan recipients start construction.



\*Subject to change due to the timing of federal appropriations or program changes.

\*\*Included in DWSIRLF FY-2002 Priority System deadlines. Other deadlines not shown above also are contained in the DWSIRLF FY-2002 Priority System.

B. Coordination of Drinking Water Systems Improvement Revolving Loan Fund Program and Appalachian Regional Commission (ARC) Grant Program on Jointly Funded Drinking Water Projects.

General guidance regarding DWSIRLF/ARC coordination: Communities that receive a FY-01 ARC award by September of 2001 for design and construction costs will be on a compatible schedule for FY-02 DWSIRLF funding provided the facilities plan has been completed. Communities that receive a FY-02 ARC award by September of 2002 for construction costs only will also be on a compatible schedule for FY-02 DWSIRLF funding provided the facilities plan and design have been completed. Communities that receive a FY-02 ARC award by September of 2002 for planning only or for planning and design costs will be on a compatible schedule for FY-03 DWSIRLF funding.

The Board will not award a DWSIRLF loan to a jointly funded drinking water project until the ARC award for construction has been awarded or until the Department of Environmental Quality receives assurance from the ARC office that the ARC award will be made by September 30, 2002.

If ARC grants for jointly funded drinking water projects are not awarded by the end of the fiscal year (September 30, 2002) and all other priority system requirements have been met and the project is otherwise ready for a DWSIRLF loan award, these projects will be ranked in the Previous Year Standby Projects Category for FY-2003 DWSIRLF funding.

FY-2002 DWSIRLF and FY-2002 ARC Schedule\*

- |            |  |
|------------|--|
| 07 - 10/01 | Appalachian Regional Office/Department of Economic and Community Development Office (ARO/DECD - Tupelo) accepts pre-applications for ARC grants.   |
| 10/01      | ARO/DECD reviews pre-applications and prepares State Investment Program.   |
| 10/01/01** | Loan applicants submit complete DWSIRLF facilities plan to MDEQ. The plan must indicate anticipated ARC funding and must indicate if the loan applicant intends to proceed with the project 1) only if ARC funds are received, or 2) regardless of whether ARC funds are received. |

|                    |  |
|--------------------|--|
| 10/1/01-<br>8/1/02 | Submission of “approvable” full applications for ARC grants to ARC/DECD for State ARC office review.   |
| 11/00              | MDEQ sends out Draft DWSIRLF FY-2001 Intended Use Plan.  |
| 11/00              | Loan applicants start design.  |
| 11/15/01           | MDEQ provides notification to ARO/DECD of facility plans received that anticipate ARC funding.   |
| 12/01/01**         | Loan applicants submit IGR and public hearing comments to MDEQ.  |
| 12/01              | Board adopts FY-02 DWSIRLF Intended Use Plan, accounting for anticipated ARC award amounts if identified in facilities plan.   |
| 12/31/01           | ARO/DECD submits State Investment Program to ARC for review and approval.  |
| 1/31/02            | ARO/DECD provides notification to MDEQ that complete ARC application, that anticipate DWSIRLF funding, has been received.  |
| 2/02               | ARC Commission meets to review and approve State Development Plans.  |
| 3/15/02            | ARO/DECD notifies MDEQ of projects included in the approved State Investment Program that anticipate DWSIRLF funding.  |
| 04/01/02**         | Loan applicants submit design documents to MDOH.   |
| 05/01/02**         | Loan applicants submit DWSIRLF loan application to MDEQ for total DWSIRLF eligible cost, less amount of anticipated ARC award to be applied to the DWSIRLF eligible costs. Loan applicants may alternatively request DWSIRLF funds for the total DWSIRLF eligible costs without reduction for ARC funds if they intend to proceed with the project regardless of whether ARC funds are received. However, in such case a revised DWSIRLF loan application must be immediately submitted after receipt of any ARC awards. In all cases the amount requested is subject to the DWSIRLF Priority List amount and available funds. |
| 05/01/02           | If loan applicant desires DWSIRLF loan award prior to ARC award, ARO/DECD provides assurance to MDEQ that the ARC award will be made by September 30, 2001.  |

- 06/01/02 MDEQ provides notification to ARO/DECD that complete DWSIRLF application has been received.
- 8/1/02\*\* All approvable documents and responses to comments necessary for loan award must be submitted to the Department for its review and approval.
- 10/1/01-8/1/02 ARO/DECD submits full ARC Grant Application to ARC Headquarters in Washington DC at any time during year prior to August 1, 2002.
- 07 - 09/02 ARC Washington makes final grant award by 9/30/2002.
- 07 - 09/02 Loan applicants receive DWSIRLF loan awards from MDEQ. The amount of the loan will be the total DWSIRLF eligible cost less the ARC award amount to be applied to DWSIRLF eligible costs.
- 09/15/02 ARO/DECD provides notification to MDEQ that ARC awards have been made. ARO/DECD will do whatever is possible to push ARC Washington to make final grant award in time to meet this deadline.
- 09/30/02 MDEQ provides notification to ARO/DECD that DWSIRLF loan awards have been made.
- 10 - 12/02 Loan recipients advertise for construction bids.
- 01 - 03/03 Loan recipients start construction.

\* Subject to change due to the timing of federal appropriations or program changes.

\*\* Included in DWSIRLF FY-02 Priority System deadlines. Other deadlines not shown above also are contained in the DWSIRLF FY-02 Priority System.

C. Coordination of Drinking Water Systems Improvements Revolving Fund Program and Rural Utilities Services (RUS) Grant and Loan Program on Jointly Funded Drinking Water Projects

General Guidance regarding DWSIRLF/RUS coordination: The RUS is an agency of the United States Department of Agriculture which provides loans and grants for water and wastewater projects. Eligible applicants must be public bodies, nonprofit organizations, or Indian tribes that serve communities with populations under 10,000. RUS funds may be used in conjunction with other Federal, State, or local moneys.

Applications for RUS funds are received at any time during the year, and involve an environmental review that includes public notifications and comment periods.

RUS projects are funded at any time during the year as long as funds are available. RUS funds are allocated by Congress in October of each year, and are usually spent as complete applications are received. Therefore, it is generally to the applicant's advantage to file applications earlier in the year.

To receive an application package or other information, contact: Rural Utilities Services, 100 West Capitol Street, Suite 831, Jackson, MS 39268; telephone: (601) 965-5460; fax: (601) 965-4566.

The Board will not award a DWSIRLF loan to a jointly funded drinking water project until the RUS award for construction has been awarded or until the Department of Environmental Quality receives assurances from the RUS office that the RUS award will be made by September 30, 2002.

If RUS funds for jointly funded drinking water projects are not awarded by the end of the fiscal year (September 30, 2002) and all other priority system requirements have been met and the project is otherwise ready for a DWSIRLF loan award, these projects will be ranked in the Previous Year Standby Projects Category for FY-03 DWSIRLF funding.

#### FY-2002 DWSIRLF and FY-2002 RUS Construction Project Schedule\*

- |            |   |
|------------|---|
| 10/01/01** | Loan applicants submit complete DWSIRLF facilities plan to MDEQ. The plan must indicate anticipated RUS funding and must indicate if the loan applicant intends to proceed with the project; 1) only if RUS funds are received, or 2) regardless of whether RUS funds are received. |
| 10/01/01   | If the loan applicant currently has existing RUS debt it must submit a copy of the facilities plan to RUS for their review, and request RUS's approval to incur this additional debt.   |
| 11/01      | MDEQ sends out Draft DWSIRLF FY-2002 Intended Use Plan.   |
| 11/01      | Loan applicants start design.   |
| 12/01/01** | Loan applicants submit Intergovernmental Review (IGR) and public hearing comments to MDEQ.  |
| 12/01      | Board adopts FY-2002 DWSIRLF Intended Use Plan, accounting for anticipated RUS award amounts if identified in facilities plan.  |
| 1/1/02     | MDEQ notifies RUS of projects included on the final FY-2002 Priority List that anticipate receiving RUS funds.  |

- 04/01/02\*\*      Loan applicants submit design documents to MDEQ.
- 05/01/02\*\*      Loan applicants submit DWSIRLF loan application to MDEQ for total DWSIRLF eligible cost, less amount of anticipated RUS award to be applied to the DWSIRLF eligible costs. Loan applicants may alternatively request DWSIRLF funds for the total DWSIRLF eligible costs without reduction for RUS funds if they intend to proceed with the project regardless of whether RUS funds are received. However, in such case a revised DWSIRLF loan application must be immediately submitted after receipt of any RUS awards. In all cases the amount requested is subject to the DWSIRLF Priority List amount and available funds.
- 05/15/02      MDEQ provides notification to RUS that complete DWSIRLF loan applications have been received.
- 05 - 09/02      If loan applicant desires DWSIRLF loan award prior to RUS award, loan applicant must provide MDEQ with a copy of letter from RUS which states their project falls within the funding range for a RUS grant and/or loan for construction contingent upon receipt of matching funds.
- 8/1/02\*\*      All approvable documents and responses to comments necessary for loan award must be submitted to the Department for its review and approval.
- 07 - 09/02      Loan applicants receive DWSIRLF loan awards from Board. The amount of the loan will be the total DWSIRLF eligible cost less the RUS award amount to be applied to DWSIRLF eligible costs.
- 10/15/02      MDEQ provides notification to RUS that DWSIRLF loan awards have been made.
- 10 - 12/02      Loan recipients advertise for construction bids.
- 01 - 03/03      Loan recipients start construction.

IV.

FINAL  
FISCAL YEAR - 2002 MISSISSIPPI DRINKING WATER SYSTEMS IMPROVEMENTS  
REVOLVING LOAN FUND PROGRAM PRIORITY LIST

Category I: Previous Year Certified Projects

(No Projects Qualified For This Category)

Category II: Primary Drinking Water Standards Projects

(No Projects Qualified For This Category)

Category III: Pressure Deficiencies Projects

| <u>Project</u>              | <u>Project Description</u>              | <u>Priority Points</u> | <u>Service Area Population</u> | <u>Loan Amount Requested (Millions)</u> | <u>Statewide Cum. \$ (Millions)</u> |
|-----------------------------|---|------------------------|--------------------------------|---|-------------------------------------|
| City of Ocean Springs       | Storage & Dist Rehab                    | 7,457.0                | 17,505                         | \$ 0.93                                 | \$ 0.93                             |
| Adams County Water Assoc    | Pineridge & Stanton System Improvements | 5,892.5                | 16,000                         | \$ 1.01                                 | \$ 1.94                             |
| Bear Creek Water Assoc      | Well                                    | 4,666.7                | 23,000                         | \$ 1.50                                 | \$ 3.44                             |
| J. P. Utility District      | Storage, Well, Distribution             | 1,940.7                | 5,757                          | \$ 0.90                                 | \$ 4.34                             |
| Central Rankin Water Assoc. | Distribution                            | 1,724.1                | 3,000                          | \$ 0.27                                 | \$ 4.61                             |

## FINAL FISCAL YEAR - 2002 PRIORITY LIST - Cont.

Category III: Pressure Deficiencies Projects – Cont.

| <u>Project</u>                              | <u>Project Description</u>      | <u>Priority Points</u> | <u>Service Area Population</u> | <u>Loan Amount Requested (Millions)</u> | <u>Statewide Cum. \$ (Millions)</u> |
|---|---------------------------------|------------------------|--------------------------------|---|-------------------------------------|
| East Oxford Water Assoc                     | Well, Storage, Distribution     | 954.6                  | 1,125                          | \$ 0.65                                 | \$ 5.26                             |
| Cleary Heights Water, Sewer & Fire District | Well, Storage, Distribution     | 804.6                  | 3,000                          | \$ 0.88                                 | \$ 6.14                             |
| Lewisburg Water Assoc                       | Well, Treatment & Distribution  | 796.9                  | 2,843                          | \$ 1.30                                 | \$ 7.44                             |
| Hopewell Water Assoc                        | Storage & Distribution          | 762.0                  | 990                            | \$ 0.49                                 | \$ 7.93                             |
| Ingomar Water Assoc                         | Well, Storage, Distribution     | 702.9                  | 2,032                          | \$ 0.94                                 | \$ 8.87                             |
| Collinsville Water Assoc                    | Storage, Well, Treatment , Dist | 683.5                  | 5,000                          | \$ 1.4                                  | \$ 10.27                            |
| Oak Grove Community Water Assoc             | Storage & Distribution          | 641.1                  | 900                            | \$ 0.48                                 | \$ 10.75                            |
| Punkin Water Assoc                          | Well, Storage, Distribution     | 423.2                  | 845                            | \$ 0.96                                 | \$ 11.71                            |

## FINAL FISCAL YEAR - 2002 PRIORITY LIST - Cont.

Category IV: System Capacity Expansion to Serve Existing Unserved Residences/Businesses

| <u>Project</u>                      | <u>Project Description</u> | <u>Priority Points</u> | <u>Service Area Population</u> | <u>Loan Amount Requested (Millions)</u> | <u>Statewide Cum. \$ (Millions)</u> |
|-------------------------------------|----------------------------|------------------------|--------------------------------|---|-------------------------------------|
| City of Starkville                  | Treatment & Well           | 7,800.9                | 20,000                         | \$ 1.29                                 | \$ 13.00                            |
| Nesbit Water Assoc                  | Storage, Well & Treatment  | 709.3                  | 3,414                          | \$ 1.48                                 | \$ 14.48                            |
| Jackson County Board of Supervisors | Distribution               | 136.5                  | 492                            | \$ 1.45                                 | \$ 15.93                            |

Category V: Back-up Water Supply Sources Projects

| <u>Project</u>            | <u>Project Description</u>            | <u>Priority Points</u> | <u>Service Area Population</u> | <u>Loan Amount Requested (Millions)</u> | <u>Statewide Cum. \$ (Millions)</u> |
|---------------------------|---------------------------------------|------------------------|--------------------------------|---|-------------------------------------|
| City of Clinton           | Well & Distribution                   | 6,251.1                | 26,000                         | \$ 1.16                                 | \$ 17.09                            |
| Hilldale Water District   | Well                                  | 4,860.6                | 4,812                          | \$ 0.34                                 | \$ 17.43                            |
| Magee's Creek Water Assoc | Wells, Tank Rehab, Dist. Improvements | 3,181.7                | 6,450                          | \$ 0.92                                 | \$ 18.35                            |
| ACL Water Asoc            | Well                                  | 2,170.5                | 2,866                          | \$ 0.44                                 | \$ 18.79                            |
| *****FUNDING LINE*****    |                                       |                        |                                |   |                                     |
| City of Morton            | Well, Storage                         | 2,105.7                | 5,390                          | \$ 1.1                                  | \$ 19.89                            |



FINAL FISCAL YEAR - 2002 PRIORITY LIST - Cont.Category V: Back-up Water Supply Sources Projects – (Cont.)

| <u>Project</u>            | <u>Project Description</u> | <u>Priority Points</u> | <u>Service Area Population</u> | <u>Loan Amount Requested (Millions)</u> | <u>Statewide Cum. \$ (Millions)</u> |
|---------------------------|----------------------------|------------------------|--------------------------------|---|-------------------------------------|
| Liberty Hills Water Assoc | Well                       | 603.2                  | 705                            | \$ 0.40                                 | \$ 20.29                            |
| Mt Comfort Water Assoc    | Well & Storage             | 271.6                  | 3,819                          | \$ 0.84                                 | \$ 21.13                            |

Category VI: Existing Facilities Upgrade (Meeting Primary Standards)

| <u>Project</u>       | <u>Project Description</u> | <u>Priority Points</u> | <u>Service Area Population</u> | <u>Loan Amount Requested (Millions)</u> | <u>Statewide Cum. \$ (Millions)</u> |
|----------------------|----------------------------|------------------------|--------------------------------|---|-------------------------------------|
| City of Picayune     | Well Improvements          | 14,567.5               | 14,473                         | \$ 0.33                                 | \$ 21.46                            |
| City of Horn Lake    | Well & Treatment           | 2,666.7                | 13,000                         | \$ 1.50                                 | \$ 22.96                            |
| Corinth Utility Com. | Distribution               | 1,546.3                | 16,000                         | \$ 1.38                                 | \$ 24.34                            |
| City of Pearl        | Storage                    | 685.7                  | 20,600                         | \$ 1.23                                 | \$ 25.57                            |

DRAFT FISCAL YEAR - 2002 PRIORITY LIST - Cont.

Category VII: Secondary Drinking Water Standards Projects

(No Projects Qualified For This Category)

Category VIII: Consolidation Projects

(No Projects Qualified For This Category)

## FISCAL YEAR - 2003 AND AFTER PLANNING LIST

(Projects included on the Planning List did not meet the October 1, 2001 deadline for submission of a complete facilities plan. These projects have been ranked on the Planning List based on information provided on the Request for Ranking Form. A determination of project eligibility can not be completed until the facilities plan has been submitted and reviewed.)

Category I: Previous Year Certified Projects

(No Projects Qualified For This Category)

Category II: Primary Drinking Water Standards Projects

| <u>Project</u>     | <u>Project Description</u> | <u>Priority Points</u> | <u>Service Area Population</u> | <u>Possible Funding FY</u> | <u>Loan Amount Requested (Millions)</u> | <u>Statewide Cum. \$ (Millions)</u> |
|--------------------|----------------------------|------------------------|--------------------------------|----------------------------|---|-------------------------------------|
| City of Moss Point | Treatment                  | 5,000                  | 25,000                         | 2003                       | \$ 1.50                                 | \$ 1.50                             |

Category III: Pressure Deficiencies Projects

| <u>Project</u>              | <u>Project Description</u> | <u>Priority Points</u> | <u>Service Area Population</u> | <u>Possible Funding FY</u> | <u>Loan Amount Requested (Millions)</u> | <u>Statewide Cum. \$ (Millions)</u> |
|-----------------------------|----------------------------|------------------------|--------------------------------|----------------------------|---|-------------------------------------|
| City of Tupelo              | Storage & Distribution     | 13,061.1               | 34,211                         | 2003                       | \$ 1.09                                 | \$ 2.59                             |
| City of Southaven           | Distribution               | 6,800.0                | 28,977                         | 2003                       | \$ 1.50                                 | \$ 4.09                             |
| Lawrence County Water Assoc | Storage                    | 2,805.7                | 2,600                          | 2003                       | \$ 0.30                                 | \$ 4.39                             |
| City of Booneville          | Distribution               | 2,533.9                | 8,625                          | 2003                       | \$ 1.50                                 | \$ 5.89                             |

## FISCAL YEAR - 2003 AND AFTER PLANNING LIST – CONT.

Category III: Pressure Deficiencies Projects – (Cont.)

| <u>Project</u>                 | <u>Project Description</u>       | <u>Priority Points</u> | <u>Service Area Population</u> | <u>Possible Funding FY</u> | <u>Loan Amount Requested (Millions)</u> | <u>Statewide Cum. \$ (Millions)</u> |
|--------------------------------|----------------------------------|------------------------|--------------------------------|----------------------------|---|-------------------------------------|
| Fisher Ferry Water District    | Well                             | 1,914.5                | 7,000                          | 2003                       | \$ 0.85                                 | \$ 6.74                             |
| Wheeler Frankstown Water Assoc | Well, Storage, Distribution      | 1,549.3                | 4,500                          | 2003                       | \$ 1.1                                  | \$ 7.84                             |
| Dixie Community Utility Assoc  | Storage & Distribution           | 994.0                  | 5,180                          | 2003                       | \$ 1.49                                 | \$ 9.33                             |
| City of Mendenhall             | Well, Treatment, Storage & Dist. | 733.3                  | 2,541                          | 2003                       | \$ 1.50                                 | \$ 10.83                            |
| City of Oxford                 | Distribution Improvements        | 448.0                  | 13,000                         | 2003                       | \$ 1.50                                 | \$ 12.33                            |
| Pine Grove Water Assoc         | Storage, Dist Improvements       | 442.7                  | 950                            | 2003                       | \$ 0.58                                 | \$ 12.91                            |
| Town of North Carrollton       | Distribution                     | 350.5                  | 2,532                          | 2003                       | \$ 1.50                                 | \$ 14.41                            |

## FISCAL YEAR - 2003 AND AFTER PLANNING LIST – CONT.

Category IV: System Capacity Expansion to Serve Existing Unserved Residences/Businesses

| <u>Project</u>                       | <u>Project Description</u> | <u>Priority Points</u> | <u>Service Area Population</u> | <u>Possible Funding FY</u> | <u>Loan Amount Requested (Millions)</u> | <u>Statewide Cum. \$ (Millions)</u> |
|--------------------------------------|----------------------------|------------------------|--------------------------------|----------------------------|---|-------------------------------------|
| Walls Water Assoc                    | Distribution               | 364.7                  | 7,000                          | 2003                       | \$ 1.38                                 | \$ 15.79                            |
| Town of Leakesville                  | Distribution               | 275.9                  | 3,423                          | 2003                       | \$ 0.16                                 | \$ 15.95                            |
| West Harrison Water & Sewer District | Well & Distribution        | 151.6                  | 183                            | 2003                       | \$ 1.13                                 | \$ 17.08                            |

Category V: Back-up Water Supply Sources Projects

| <u>Project</u>  | <u>Project Description</u> | <u>Priority Points</u> | <u>Service Area Population</u> | <u>Possible Funding FY</u> | <u>Loan Amount Requested (Millions)</u> | <u>Statewide Cum. \$ (Millions)</u> |
|-----------------|----------------------------|------------------------|--------------------------------|----------------------------|---|-------------------------------------|
| City of Brandon | Storage                    | 3,650.0                | 19,700                         | 2003                       | \$ 1.50                                 | \$ 18.58                            |
| PRVWSD          | Back-up Water Supply       | 1,330.8                | 66,705                         | 2003                       | \$ 1.5                                  | \$ 20.08                            |
| Town of Hatley  | Well & Treatment           | 618.0                  | 2,500                          | 2003                       | \$ 1.0                                  | \$ 21.08                            |

## FISCAL YEAR - 2003 AND AFTER PLANNING LIST – CONT.

Category VI: Existing Facilities Upgrade (Meeting Primary Standards)

| <u>Project</u>       | <u>Project Description</u>          | <u>Priority Points</u> | <u>Service Area Population</u> | <u>Possible Funding FY</u> | <u>Loan Amount Requested (Millions)</u> | <u>Statewide Cum. \$ (Millions)</u> |
|----------------------|-------------------------------------|------------------------|--------------------------------|----------------------------|---|-------------------------------------|
| City of Laurel       | Water System Upgrades – Tank, Lines | 22,103.0               | 18,393                         | 2003                       | \$ 0.44                                 | \$ 21.52                            |
| City of Lucedale     | Distribution                        | 13,466.7               | 2,500                          | 2003                       | \$ 0.09                                 | \$ 21.61                            |
| Town of Silver Creek | Storage                             | 4,774.0                | 462                            | 2003                       | \$ 0.04                                 | \$ 21.65                            |
| City of Pascagoula   | Distribution Improvements           | 536.9                  | 29,000                         | 2003                       | \$ 1.50                                 | \$ 23.15                            |
| Town of Sandersville | Distribution                        | 103.6                  | 885                            | 2003                       | \$ 0.05                                 | \$ 23.20                            |

Category VII: Secondary Drinking Water Standards Projects

(No Projects Qualified For This Category)

Category VIII: Consolidation Projects

(No Projects Qualified For This Category)

(This Page Intentionally Left Blank)

## Abbreviations

|                      |   |   |
|----------------------|---|---|
| Assoc.               | - | Association   |
| Connecting Lines     | - | lines to connect the well to the treatment plant                                    |
| Corinth Utility Com. |   | City of Corinth Utility Commission  |
| Cum                  | - | Cumulative  |
| Dist.                | - | Drinking water distribution lines   |
| Improv               | - | Improvements  |
| MS                   | - | Mississippi   |
| PRVWSD               |   | Pearl River Valley Water Supply District  |
| Rehab                | - | Rehabilitation of existing facilities for the purpose of extending its useful life. |
| Storage              | - | Includes elevated, standpipe and ground finished water storage tanks.               |
| Trt                  | - | Treatment facility  |
| W & S                | - | Water and Sewer   |
| W S & F              | - | Water Sewer and Fire  |
| Well                 | - | Drinking water well   |



**Drinking Water Systems Improvements**  
**Revolving Loan Fund**  
**Priority System**

A. Program Funding and Ranking Rationale

1. Projects will be scheduled on the fundable portion of the Priority List according to both priority ranking and readiness to proceed. The term “readiness to proceed” means that all deadlines established in Section C. can be met. If a project cannot reasonably be expected to meet these deadlines, then the project will not be placed on the fundable portion of the Priority List, but rather will be shown on the planning portion of the list. It is the Board’s judgement as to whether the project can be ready to proceed. Projects on the fundable portion of the Priority List will be funded as soon as they meet all the deadlines in Section C. and are ready for loan award.

Project By-pass Procedure: Should any project on the FY-2002 Priority List shown above the funding line fail to comply with the deadlines in Section C., the funds reserved for said project will be released and made available to the highest ranking project(s) shown below the funding line that is ready for loan award at the time funds become available. If no projects below the funding line are ready for loan award at the time funds become available, projects shown below the funding line will be funded on a first-come, first-served basis as they become ready for loan award until the released funds are awarded. This same process will continue as each deadline passes and released funds become available.

Should less than the assumed funds become available, the funding line will be moved to reflect the actual available funds, and projects above this line will be funded as described above, without further public review or comment. Also, should more than the assumed funds become available or if the assumed funds exceed the actual requested amounts for projects shown on the fundable portion of the list, the highest ranking projects that are ready to proceed will be funded on a first come, first served basis within the available funds, without further public review or comment.

Project categories are defined below. Projects in Category I will be funded each year to the extent the Board makes funds available. Projects in Categories II through VIII are ranked in categorical order. That is, all Category II projects are ranked higher than Category III projects, etc. Ranking is established in like manner through all remaining categories. Adjustments will be made as necessary to comply with small community set aside provisions of the Federal Safe Drinking Water Act and as established by the Board [Section 1542(a)(2) of SDWA]. The order of Categories II - VIII is intended to give highest priority to those projects that address the most serious risks to human health. Projects within each category will be funded as described in Section B. if they meet established Priority System deadlines.

2. Category I - Previous Year Certified Projects

Priority for this category will be given to the previous year Category II projects to the maximum extent practicable. Category I includes projects (both above and below the funding line) that are determined by the Department to have met all the Priority System requirements, secured approval of all required documents, and were substantially ready to receive loans during the previous fiscal year, but were not funded because of a lack of improvement loan funds or failure to receive an assurance of CDBG, ARC or other matching funds in the previous fiscal year. Each year, the Board will normally designate such projects in an amount of up to approximately 25% of the current year's available funds as Category I Projects. Providing this special category in FY-2003 to fund projects that have been certified complete from FY-2002 will encourage applicants whose projects initially fall below the funding line to continue meeting all Priority System deadlines. Those applicants who continue to meet deadlines in attempting to qualify for Category I in FY-2003 also provide a pool of projects, ready for loan award in FY-2002, to replace any projects (initially above the funding line) that have their funds released for failure to meet deadlines during FY-2002. Within this category, projects will be ranked according to the current Priority Ranking Criteria.

3. Category II - Primary Drinking Water Standards

Projects to facilitate compliance with Primary Drinking Water Standards. To qualify for this category projects must correct deficiencies resulting in non-compliance with the primary drinking water standards.

4. Category III - Pressure Deficiencies

Projects to correct deficiencies that result in existing systems routinely failing to maintain minimum acceptable dynamic pressure. Experience has shown that failure of water systems to maintain minimum acceptable dynamic pressure is the major cause of system contamination in Mississippi. System contamination that results from inadequate water system pressure is considered by the Mississippi State Department of Health to be one of the most serious drinking water related threats to public health in Mississippi. Deficiencies causing pressure failures may include, but are not limited to, the following:

- a. Insufficient supply source (wells, etc.);
- b. Insufficient treatment capacity;
- c. Insufficient storage (elevated or ground);
- d. Distribution system leakage;
- e. Distribution system inadequacies; and
- f. Worn-out, malfunctioning or inadequate equipment, facilities, etc.

5. Category IV - System Capacity Expansion To Serve Existing Unserved Residences/Businesses

Projects to expand existing system capacity or construct a new drinking water system to ensure safe drinking water (source, treatment and/or distribution) to serve existing residences/businesses in currently unserved areas.

6. Category V - Back-up Water Supply Sources Projects

Projects to provide additional supply to systems with insufficient or non-existent back-up water supply sources to ensure safe drinking water, and thereby protect the health of the existing population. As a minimum, a system using ground water should be able to lose any one of the wells supplying the system and still maintain minimum acceptable dynamic pressure throughout the entire system.

7. Category VI - Existing Facilities Upgrades (Meeting Primary Standards)

Projects to rehabilitate, replace, protect or upgrade deteriorated, worn, aged or obsolete equipment, facilities, etc., to assure continued, dependable operation of water systems where such systems are already meeting Primary Drinking Water Standards.

8. Category VII - Secondary Drinking Water Standards Projects

Projects to provide treatment that brings systems into compliance with Secondary Drinking Water Regulations.

9. Category VIII - Consolidation Projects

Projects to consolidate separate systems into a single system for purposes other than included in Categories II through VII. Consolidation will also be considered in establishing priority ranking within all categories, as described in the Priority Ranking Criteria in Section B.

## B. Priority Ranking Criteria

The criteria for ranking projects within each category is intended to give priority to projects that: 1) benefit the most people per dollar expended; 2) assist systems most in need on a per household affordability basis as required by the Safe Drinking Water Act; and 3) use consolidation with other systems to correct existing deficiencies and improve management. These considerations are addressed by the Priority Ranking Criteria in the following manner:

### 1. Benefit/Cost

Benefit/Cost points assigned to each project will be determined using the following formula:

$$\text{Benefit/Cost Points} = \frac{\text{Number of benefiting connections}}{\text{Total eligible cost of improvements (in \$1.0 millions)}}$$

The number of benefiting connections must be included in the facilities plan submitted by the applicant and is defined as the sum of individual connections **currently experiencing deficiencies that will be corrected by the improvement** and includes only existing residences, businesses, and public buildings. Applicants must furnish information (including hydraulic analysis, if necessary) to support their estimate of the number of benefiting connections. The total eligible cost is in millions of dollars (i.e., \$800,000 = \$0.8 M).

### 2. Affordability Factor

An affordability factor will be assigned to each project to reflect the relative needs of applicants on a per household basis. The Benefit/Cost points calculated in Section B.1. will be adjusted using the affordability factor in the following formula:

$$\text{Adjusted Benefit/Cost Points} = (\text{Affordability Factor}) \times (\text{Benefit/Cost Points})$$

The affordability factor used in the calculation is defined as the ratio of the 2000 median household income for the State of Mississippi (\$31,144) to the 2000 median household income for the affected community and will be no less than 1.0 and no greater than 1.5. Median household incomes to be used in the calculations will be those displayed in the publication “The Sourcebook of Zip Code Demographics”, Fifteenth Edition. Where the affected community is included in more than one zip code area, an average will be used for the community’s median household income.

### 3. Consolidation

Any project that includes consolidation (ownership and management) of separate existing systems into a single system will receive consolidation points equal to 0.5 times the Benefit/Cost points assigned to the project. The purpose of assigning consolidation points is to promote reliability, efficiency and economy of scale that can be achieved with larger water systems while discouraging the proliferation of numerous separate small systems with their inherent inefficiencies and limitations.

Projects that do not include consolidation will receive zero consolidation points.

$$\text{Consolidation Points} = 0.5 \times (\text{Benefit/Cost Points})$$

### 4. Ranking Within Each Category

Within each category, projects will be ranked in order based on the total points assigned the project using the following formula:

$$\text{Total Priority Points} = (\text{Adjusted Benefit/Cost Points}) + (\text{Consolidation Points})$$

Projects receiving the most priority points will be given the highest ranking on the Priority List. In cases of ties in the number of priority points, projects with the lowest median household income will receive the highest ranking.

### 5. Small Community Set-Aside

Following completion of the ranking process, the Priority List will be reviewed to determine if at least 15% of funding for projects above the funding line is for public water systems which regularly serve fewer than 5,000 people. If this is not the case, the Priority List will be adjusted by exchanging the lowest ranking projects above the funding line that serve 5,000 or more with the highest ranking projects below the funding line that serve fewer than 5,000, until the 15% requirement is satisfied.

It is anticipated that approximately 57% of all available DWSIRLF funds will be awarded to small communities with populations of 5,000 or less in FY-2002.

Results To Date: Through the first five years of the DWSIRLF program (FY-97 thru FY-2001) the program is averaging 19.8% of all available funds being awarded to small communities (population less than 10,000). During this same five year period, 43.3% of all funds awarded went to small communities (population less than 10,000). In FY-2001 eighteen and 4/10 (18.4%) percent of all available DWSIRLF funds were awarded to small communities with populations less than 5,000.

### C. Priority System Deadlines

**Should any project fail to comply with any of the following deadlines in this Priority System, the funds reserved for said project will be released and made available to the highest ranking project(s) shown below the funding line that are ready for loan award on a first-come, first-served basis.**

1. By October 1, 2001, the loan recipient must submit two (2) copies of the DWSIRLF facilities plan prepared in accordance with the DWSIRLF loan program regulations, to the Department of Environmental Quality and one (1) copy to all intergovernmental review agencies (see Appendix K of DWSIRLF Loan Program Regulations). The Department of Environmental Quality must be copied on the transmittal letters to all intergovernmental review agencies. Intergovernmental review comments and public hearing comments may be excluded in this submittal.

Prior to beginning the facilities plan, the potential applicant and/or its registered engineer must request and receive facilities planning guidance from the Department of Environmental Quality, and should attend a preplanning conference with the Department staff as early in the planning process as practical.

2. By October 1, 2001, the loan recipient must advertise for the DWSIRLF facilities plan public hearing, and submit proof of such advertisement to the Department of Environmental Quality.
3. By October 1, 2001, the loan recipient must should one copy of the facilities plan to the Rural Utilities Service (formally Farmers Home Administration) if the loan recipient has existing debt with Rural Utilities Services, along with a request for their approval to incur this additional debt.

The Department of Environmental Quality must be copied on the transmittal letter to Rural Utility Services.

4. By December 1, 2001, the following documents must be submitted to the Department.
  - all intergovernmental review comments;
  - a transcript of the public hearing comments;
  - plan revisions pursuant to public hearing/IGR comments; and
  - a summary of how each public hearing/IGR comment was addressed.

It is not necessary to receive comments on the facilities plan from the Department of Environmental Quality prior to:

- advertising the public hearing;
- holding the public hearing; or
- submitting this information to the Department.

Any significant changes made to the facilities plan (i.e., changes in the chosen alternative, location of the facilities, etc.) after this deadline will be considered as a first submittal of the facilities plan. The loan recipient will then be considered to be in violation of this Priority System deadline.

5. By January 1, 2002, the following documents, if required by the project, must be submitted to the appropriate Intergovernmental Review agency:

- completed archaeological/cultural surveys must be submitted to the Department of Archives and History for approval.
- completed vegetative/wildlife surveys must be submitted to the Natural Heritage Program for approval; and
- Section 404/Section 10 Permit applications must be submitted to the Army Corps of Engineers (and the Bureau of Marine Resources for Jackson, Harrison, and Hancock County projects).

These submittals must be made in accordance with the Intergovernmental Review Process, if required for the project. The Department of Environmental Quality must be copied on the transmittal letter to these agencies.

6. By March 1, 2002, the following must be submitted to both the Department of Finance and Administration, State Clearing House, and the local Planning and Development District in accordance with the Intergovernmental Review Process:

- a 424 form (Application for Federal Assistance) completed where appropriate;
- a brief narrative describing the project;
- a map showing the location of all proposed construction;
- the archaeological/cultural survey approval letter from the State Department of Archives and History;
- the vegetative/wildlife survey approval letter from the Natural Heritage Program;

- copies of the issued Section 404/Section 10 Permits;
- copies of the issued Bureau of Marine Resources Permit; or
- letters stating the surveys or permits are not required.

The Department of Environmental Quality must be copied on the transmittal letters to these agencies.

7. By April 1, 2002, the following documents must be submitted to the Department of Environmental Quality:

- copies of completed plans, specifications, and contract documents;
- approved archaeological/cultural resource surveys;
- approved vegetative/wildlife surveys;
- copy of the issued Section 404/Section 10 Permits;
- copy of the issued Bureau of Marine Resources Permits (for projects in Harrison, Hancock, and Jackson Counties);
- completed NPDES and solid waste disposal permit applications for the project, if applicable; and
- if applicable, written waivers executed by the owners of all adjacent property where required buffer zones will not be obtained, in accordance with Appendix N of the DWSIRLF regulations.

Prior to beginning the plans, specifications, and contract documents, the potential applicant and/or its registered engineer must request and receive design guidance from the Department of Environmental Quality, and should attend a pre-design conference with the Department staff as early in the design process as practical.

8. By May 1, 2002, a completed DWSIRLF loan application and all associated documents (see Appendix C) as described in the DWSIRLF regulations must be submitted to the Department of Environmental Quality. Prior to beginning these documents the potential applicant and/or its registered engineer must request and receive a DWSIRLF application and guidance, and should attend a pre-application conference with Department staff as early in the application process as practical.

If the loan recipient is pursuing a CDBG grant to cover part of the cost of construction the loan recipient will need to submit their DWSIRLF loan application to MDEQ by March 6, 2002 to meet CDBG requirements that copies



of applications for matching funds be submitted with their CDBG grant application.

If the loan recipient is pursuing a CDBG, ARC or RUS grant/loan to cover part of the cost of construction, the loan recipient has the option to include the anticipated CDBG, ARC or RUS grant/loan amount in the detailed cost breakdown; or may request 100% DWSIRLF funding with the possibility of amending the loan application later if the loan recipient is awarded a CDBG, ARC or RUS grant/loan prior to September 30, 2002. The merits of these options will be discussed during the pre-application conference. However, the DWSIRLF loan application must be consistent with the DWSIRLF facilities plan for the project.

9. By May 1, 2002, the final clearance from the Department of Finance and Administration, State Clearing House, and all other comments received, must be submitted to the Department of Environmental Quality in accordance with the Intergovernmental Review Process.
10. By May 1, 2002, the loan recipient must complete the appropriate requirements of the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act (The Uniform Act) as implemented by federal regulation 49 CFR Part 24.101(a)(1) and (2) as applicable, and certification must be made by the loan recipient to the Department of Environmental Quality that all loan ineligible real property and easements (including power) for the entire project have been secured by at least one of the following actions:
  - clear title; or
  - execution by both parties of a bona fide options to purchase or a lease valid for the expected life of the project.

These certifications must be made on forms established by the Department staff and must not be altered.

By May 1, 2002, for all loan eligible real property the loan recipient must complete the appropriate requirements of The Uniform Act as implemented by federal regulation 49 CFR Part 24.101(a)(1) & (2) as applicable, and must make a written request to the Department staff for approval of the purchase price of all loan eligible real property. The written request must include:

- copies of the appraisal(s) for all loan eligible real property with a fair market value of \$5,000 or more; and copies of all proposed options to purchase.
11. By May 1, 2002, certification must be submitted to the Department of Environmental Quality that all local funds necessary for the project have been secured, or will be secured within 90 days after loan award, along with a

statement to this effect from the funding source. If local funds will be raised by a local bond issue, a copy of the authorizing resolution and a bond issuance schedule may be submitted in lieu of a statement from a funding source. These certifications must be made on forms established by the Department staff and must not be altered.

12. By May 1, 2002, a revised Financial Capability Summary, reflecting the most recent design level cost estimates, must be submitted to the Department of Environmental Quality.
13. By July 1, 2002, clear title to all loan ineligible real property and easements (including power) for the entire project must be obtained in accordance with the appropriate requirements of The Uniform Act as implemented by federal regulation 49 CFR 24.101(a)(1) and (2) as applicable, and clear title certificates from the loan recipient and its title counsel must be submitted to the Department of Environmental Quality. These certifications must be made on forms established by the Department staff and must not be altered.  
  
By July 1, 2002, for project portions where acquisition of land is loan eligible, the loan recipient must secure Department of Environmental Quality approval of the purchase price and the option to purchase, and must submit a copy of the executed option to purchase all loan eligible real property to the Department staff.
14. By July 31, 2002, if the loan recipient will use CDBG, ARC or RUS funds in conjunction with DWSIRLF loan funds on the project, the loan recipient must submit to the Department of Environmental Quality a letter from the Director of the State Community Development Block Grant (CDBG), ARC Program, or the Director of the Rural Utilities Services which states the amount of the CDBG, ARC or RUS funds available for this project falls within the funding range for CDBG, ARC or RUS award contingent upon matching funds being in place.
15. By August 1, 2002, all approvable documents and responses to comments necessary for loan award must be submitted to the Department for its review and approval.

V.

**FISCAL YEAR - 2002 Drinking Water Improvements SRF Project Detail Information**

| FY-2002<br>Projects                            | No.     | Population<br>of Service<br>Area | <u>Project Schedule</u> |            |            | <u>Project Assistance</u> |                          |                         |                        | <u>Technical Information</u>    |   |                            |   |
|--|---------|----------------------------------|-------------------------|------------|------------|---------------------------|--------------------------|-------------------------|------------------------|---------------------------------|---|----------------------------|---|
|  |         |                                  | <u>BCD</u>              | <u>CSD</u> | <u>CCD</u> | Type<br><u>Assist.</u>    | Assist.<br><u>Amount</u> | Interest<br><u>Rate</u> | Repay<br><u>Period</u> | Initial<br>Repay<br><u>Date</u> | Project<br><u>Category</u> <sup>+</sup> | Priority<br><u>Ranking</u> | Cross-Cutter<br>Equivalency<br><u>Project</u> |
| City of Ocean Springs                          | 2002-01 | 17,505                           | 9/30/02                 | 3/01/03    | 12/31/03   | Loan                      | \$ 0.93 M                | 3.5 %                   | 20 yrs                 | 4/30/04                         | 3                                       | 7,457.0                    | Yes   |
| Adams Co. Water Assoc                          | 2002-02 | 16,000                           | 9/30/02                 | 3/01/03    | 9/30/03    | Loan                      | \$ 1.01 M                | 3.5 %                   | 20 yrs                 | 1/31/04                         | 3                                       | 5,892.5                    | Yes   |
| Bear Creek Water Assoc                         | 2002-03 | 23,000                           | 5/01/02                 | 7/01/02    | 3/31/03    | Loan                      | \$ 1.50 M                | 3.5 %                   | 20 yrs                 | 7/31/03                         | 3                                       | 4,666.7                    | Yes   |
| J. P. Utility District, Inc.                   | 2002-04 | 5,757                            | 02/01/02                | 06/01/02   | 2/28/03    | Loan                      | \$ 0.90 M                | 3.5 %                   | 20 yrs                 | 6/30/03                         | 3                                       | 1,940.7                    | Yes   |
| Central Rankin Water Assoc                     | 2002-05 | 3,000                            | 02/01/02                | 06/01/02   | 12/30/02   | Loan                      | \$ 0.27 M                | 3.5 %                   | 20 yrs                 | 4/30/03                         | 3                                       | 1,724.1                    | Yes   |
| East Oxford Water Assoc                        | 2002-06 | 1,125                            | 9/30/02                 | 3/01/03    | 12/31/03   | Loan                      | \$ 0.65 M                | 3.5 %                   | 20 yrs                 | 4/30/04                         | 3                                       | 954.6                      | Yes   |
| Cleary Heights Water,<br>Sewer & Fire District | 2002-07 | 3,000                            | 9/30/02                 | 3/01/03    | 12/31/03   | Loan                      | \$ 0.88 M                | 3.5 %                   | 20 yrs                 | 4/30/04                         | 3                                       | 804.6                      | Yes   |
| Lewisburg Water Assoc                          | 2002-08 | 2,843                            | 9/30/02                 | 3/01/03    | 2/28/04    | Loan                      | \$ 1.30 M                | 3.5 %                   | 20 yrs                 | 6/30/04                         | 3                                       | 796.9                      | Yes   |
| Hopewell Water Assoc                           | 2002-09 | 990                              | 9/30/02                 | 3/01/03    | 12/31/03   | Loan                      | \$ 0.49 M                | 3.5 %                   | 20 yrs                 | 4/30/04                         | 3                                       | 762.0                      | Yes   |
| Ingomar Water Assoc                            | 2002-10 | 2,032                            | 9/30/02                 | 3/01/03    | 12/31/03   | Loan                      | \$ 0.94 M                | 3.5 %                   | 20 yrs                 | 4/30/04                         | 3                                       | 702.9                      | Yes   |
| Collinsville Water Assoc                       | 2002-11 | 5,000                            | 02/01/02                | 06/01/02   | 5/30/03    | Loan                      | \$ 1.40 M                | 3.5 %                   | 20 yrs                 | 9/30/03                         | 3                                       | 683.5                      | Yes   |
| Oak Grove Community<br>Water Assoc             | 2002-12 | 900                              | 6/01/02                 | 7/15/02    | 4/2/03     | Loan                      | \$ 0.48 M                | 3.5 %                   | 20 yrs                 | 7/31/03                         | 3                                       | 641.1                      | Yes   |
| Punkin Water Assoc                             | 2002-13 | 845                              | 9/30/02                 | 3/01/03    | 12/31/03   | Loan                      | \$ 0.96 M                | 3.5 %                   | 20 yrs                 | 4/30/04                         | 3                                       | 423.2                      | Yes   |
| City of Starkville                             | 2002-14 | 20,000                           | 6/30/02                 | 9/01/02    | 4/30/03    | Loan                      | \$ 1.29 M                | 3.5 %                   | 20 yrs                 | 8/31/03                         | 4                                       | 7,800.9                    | Yes   |
| Nesbit Water Assoc                             | 2002-15 | 3,414                            | 1/1/02                  | 3/1/02     | 9/30/02    | Loan                      | \$ 1.48 M                | 3.5 %                   | 20 yrs                 | 01/31/03                        | 4                                       | 709.3                      | Yes   |

**FISCAL YEAR - 2002 Drinking Water Improvements SRF Project Detail Information – Cont.**

| <u>FY-2002<br/>Projects</u>                 | <u>No.</u> | <u>Population<br/>of Service<br/>Area</u> | <u>Project Schedule</u> |            |            | <u>Type<br/>Assist.</u> | <u>Project Assistance</u> |                          |                         | <u>Initial<br/>Repay<br/>Date</u> | <u>Technical Information</u>             |                             |   |
|---|------------|---|-------------------------|------------|------------|-------------------------|---------------------------|--------------------------|-------------------------|-----------------------------------|--|-----------------------------|---|
|   |            |   | <u>BCD</u>              | <u>CSD</u> | <u>CCD</u> |                         | <u>Assist.<br/>Amount</u> | <u>Interest<br/>Rate</u> | <u>Repay<br/>Period</u> |                                   | <u>Project<br/>Category</u> <sup>+</sup> | <u>Priority<br/>Ranking</u> | <u>Cross-Cutter<br/>Equivalency<br/>Project</u> |
| Jackson Co. Bd of Sup                       | 2002-16    | 492                                       | 3/1/02                  | 6/1/02     | 12/31/02   | Loan                    | \$ 1.45 M                 | 3.5 %                    | 20 yrs                  | 4/30/03                           | 4  | 136.5                       | Yes   |
| City of Clinton                             | 2002-17    | 26,000                                    | 9/30/02                 | 3/01/03    | 12/31/03   | Loan                    | \$ 1.16 M                 | 3.5 %                    | 20 yrs                  | 4/30/04                           | 5  | 6,251.1                     | Yes   |
| Hilldale Water District                     | 2002-18    | 4,812                                     | 9/30/02                 | 3/01/03    | 12/31/03   | Loan                    | \$ 0.34 M                 | 3.5 %                    | 20 yrs                  | 4/30/04                           | 5  | 4,860.6                     | Yes   |
| Magee's Creek Water Assoc                   | 2002-19    | 6,450                                     | 9/30/02                 | 3/01/03    | 2/28/04    | Loan                    | \$ 0.92 M                 | 3.5 %                    | 20yrs                   | 6/30/04                           | 5  | 3,181.7                     | Yes   |
| ACL Water Assoc                             | 2002-20    | 2,866                                     | 9/30/02                 | 3/01/03    | 2/28/04    | Loan                    | \$ 0.44 M                 | 3.5 %                    | 20 yrs                  | 6/30/04                           | 5  | 2,170.5                     | Yes   |
| Program Admin                               | 2002-21    | N/A                                       | N/A                     | N/A        | N/A        | Grant                   | \$ 0.32 M                 | N/A                      | N/A                     | N/A                               | N/A                                      | N/A                         | Yes   |
| State Program Mgmt.                         | 2002-22    | N/A                                       | N/A                     | N/A        | N/A        | Grant                   | \$ 0.40 M                 | N/A                      | N/A                     | N/A                               | N/A                                      | N/A                         | Yes   |
| Small System Technical Assistance Set-aside | 2002-23    | N/A                                       | N/A                     | N/A        | N/A        | Grant                   | \$ 0.16 M                 | N/A                      | N/A                     | N/A                               | N/A                                      | N/A                         | Yes   |
| Totals                                      |            |   |                         |            |            |                         | \$19.67M                  |                          |                         |                                   |  |                             |   |

- Notes:
- All of the above loan projects will require an environmental review in accordance with the State DWSIRLF regulations.
  - These loan amounts include a 5% administrative fee charged to all FY-2002 loan recipients.
  - + = Project categories are defined in the Priority System on page 23 of this Intended Use Plan.
  - \* BCD = Binding Commitment Date
  - \* CSD = Construction Start Date
  - \* CCD = Construction Completion Date

## VI. FY-2002 Assumed Available Funds

These funds breakdowns are shown in Appendix A. Should more or less than these assumed appropriations be made, the Board will fund projects in accordance with Section A.1. of the Priority System.

## VII. DWSIRLF Financial Planning Process

In accordance with the Board's desire to maintain a financially sound DWSIRLF loan fund in perpetuity, while at the same time meeting a substantial portion of the drinking water needs in the State within a reasonable period of time, the following financial decisions were made regarding the fund. The Board intends that the Department of Health apply for the entire State allotment under the federal Drinking Water SRF, including the set-asides described in Section VIII. below. The Board has deposited the proceeds from the sale of \$15 million in general obligation bonds into the DWSIRLF fund to be "banked" as State Match for federal DWSRF capitalization grants, and has made this entire amount immediately available for DWSIRLF loans. The Board intends to set the interest rate for FY-2002 at 3.5%, due to the increase in loan demand for FY-02. It is the Board's intention to adjust interest rates such that the demand will eventually equal the funds available. The Board intends to apply the 3.5% interest rate to all loans made during FY-2002.

In order to insure that this interest rate is below the prevailing market rates at the time a loan is made, this rate will be compared to the twenty year triple-A rated, tax-exempt insured revenue bond yield published by The Bond Market Association/Bloomberg (Bloomberg Online, <http://www.bloomberg.com/markets/psamuni.html>).

Investment Procedures for Excess Cash - According to the State Treasurer, the excess cash in the DWSIRLF is invested by the State Treasurer in securities prescribed in Section 27-105-33, et. Seq., of the Mississippi Code of 1972 Annotated, as amended. The securities in which State funds may be invested include certificates of deposit with qualified State depositories, repurchase agreements (fully secured by direct United States Treasury obligations, United States Government agency obligations, United States Government instrumentalities or United States Government sponsored enterprise obligations), direct United States Treasury obligations, United States Government agency obligations, United States Government instrumentalities or United States Government sponsored enterprise obligations, and any other open-ended or closed-ended management type investment company or investment trust registered under the provisions of 15 U.S.C. Section 80(a)-1 et.seq, provided that the portfolio is limited to direct obligations issued by the United States of America, United States Government agency obligations, United States Government instrumentalities or United States Government sponsored enterprise obligations and to repurchase agreements fully collateralized by the securities listed above for repurchase agreements.

## VIII. State Set-asides

No funds shall be expended from the monies proposed to be set aside without a vote by the Board and approval of any applicable contracts for the purposes stated below. Requests for payments from these funds must be submitted to the Board for its review and approval before funds will be released.

Section 1452 of the Safe Drinking Water Act Amendments of 1996 allows the State to set-aside portions of the federal Capitalization Grant to the State for various purposes. The Board took each of these set-asides under consideration and took the following actions regarding set-asides:

1. DWSIRLF Administrative Expenses - The Board intends to set aside four (4%) percent of its FY-2002 Capitalization Grant to cover the cost of administering the DWSIRLF program.
2. State Program Management – The Board intends to set aside, for State Program Management, \$400,000 of the State's FY-2002 Capitalization Grant as authorized by Section 1452(g)(2) of the Safe Drinking Water Act of 1996 to be used for Public Water System Supervision (PWSS) activities conducted under Section 1443(a) of the act. These activities are described in more detail in the State of Mississippi State Program Management Set Aside Annual Work Plan included as Appendix F to this Intended Use Plan. The State must provide a dollar for dollar match (100% match) for Capitalization Grant funds used for these activities. This match is separate, and in addition to, the twenty (20%) percent State match required for the Capitalization Grant. The State is allowed to offset the 100% match requirement by claiming credit for State FY-2002 PWSS expenditures that exceed the State's FY-2002 PWSS match requirement. The State is further allowed to use State FY-93 PWSS expenditures to offset the 100% match requirement as long as this amount does not exceed the amount that can be claimed from FY-2002 State expenditures. A tabulation showing amount and source of funds to satisfy match requirements for the FY-2002 State Program Management set aside is furnished as Appendix G to this Intended Use Plan.
3. Small Systems Technical Assistance - The Board intends to set aside two (2%) percent of its FY-2002 Capitalization Grant to provide technical assistance to public water systems serving under 10,000 population. The Board intends to use this two (2%) percent set-aside to fund contracts for the following activities: Special Assistance to Referred Systems; Management Training for Water System Officials; On-Site Technical Assistance and Volunteer System Review Program; and Remedial Accounting Training. Each of these activities are described in detail in the State of Mississippi Small Systems Technical Assistance Set-Aside Work Plan included as Appendix E to this Intended Use Plan.

Local Assistance and Other State Programs - The Board does not intend to set aside any funds from its FY-2002 Capitalization Grant for any of the activities to

assist development and/or implementation of local drinking water protection initiatives described in Section 1452.

Source Water Protection Area Delineation & Assessment – No new funds are available in the FY-2002 Capitalization grant for this set aside. The Board did however, set aside 10% of the FY-97 Capitalization grant for the Sources Water Delineation & Assessment program. The Board contracted with the Mississippi Department of Environmental Quality (MDEQ) to assist in developing the Source Water Assessment Program (SWAP). The SWAP efforts initially focused on developing an effective approach to address the mandates of the new program including the required public participation component.

During FY-00, MDEQ focused its efforts on achieving two principal objectives: (1) obtaining approval of the State SWAP plan, and (2) completing the assessments for the public water systems in ten counties. MDEQ received final EPA approval on the State SWAP plan in November 1999. Since that time, steady progress has been made in implementing SWAP throughout the state. Specific SWAP-related accomplishments realized during FY-01 include the following:

- (1) The completion and mailing of susceptibility assessments to the community water systems in 20 counties: Alcorn, Benton, Clarke, Covington, George, Humphreys, Jeff Davis, Lawrence, Neshoba, Perry, Prentiss, Quitman, Sharkey, Simpson, Smith, Stone, Tate, Tippah, Tishomingo, and Tunica.
- (2) The completion of aquifer confinement verification and required field inventories on community water systems in 19 counties: Attala, Carroll, Choctaw, Covington, Grenada, Hinds, Holmes, Lawrence, Madison, Montgomery, Neshoba, Noxubee, Oktibbeha, Quitman, Scott, Simpson, Smith, Webster, and Winston.
- (3) The initiation of a SWAP website where pertinent information on the susceptibility of water systems can be obtained. The site also includes some interactive mapping capabilities.
- (4) The continuation of efforts to coordinate activities related to the protection of the three public surface water systems operating in the state with the Surface Water Division's new basin management plan.

Most of the planned activities during FY-02 will focus on the completion of assessments for the community water systems in 25 additional counties. A concerted effort will be made to address a major portion of the required work associated with the protection of the three public surface water systems.

5. Disadvantaged Communities Set-aside - The Board does not intend to implement a disadvantaged communities program at the present time.

IX. Proposed Payment (Federal Letter of Credit {LOC}) Schedule For FY-2002 Cap. Grant:

| <u>Payment<br/>(LOC)<br/>Number</u> | <u>Payment<br/>(LOC)<br/>Date</u> | <u>Payment<br/>(LOC)<br/>Amount</u> | <u>Cumulative<br/>(LOC)<br/>Amount</u> |
|-------------------------------------|-----------------------------------|-------------------------------------|--|
| FY-2002<br>No. 1 of 4               | 3Q FY-2002                        | \$ 2,560,000                        | \$ 2,560,000                           |
| FY-2002<br>No. 2 of 4               | 4Q FY-2002                        | \$ 2,710,000                        | \$ 5,270,000                           |
| FY-2002<br>No. 3 of 4               | 1Q FY-2003                        | \$ 1,740,000                        | \$ 7,010,000                           |
| FY-2002<br>No. 4 of 4               | 2Q FY-2003                        | \$ 1,042,500                        | \$ 8,052,500                           |

X. Projected Schedule of Drawdowns Against Federal Letter of Credit for FY-2002 Cap. Grant (Outlays): (See Appendix B)

| <u>Outlay<br/>Quarter</u> | <u>Federal<br/>Outlay Amount</u> | <u>Cumulative<br/>Outlay Amount</u> |
|---------------------------|----------------------------------|-------------------------------------|
| 3Q FY-2002                | \$ 490,000                       | \$ 490,000                          |
| 4Q FY-2002                | \$ 2,052,100                     | \$ 2,542,100                        |
| 1Q FY-2003                | \$ 2,691,050                     | \$ 5,233,150                        |
| 2Q FY-2003                | \$ 1,730,000                     | \$ 6,963,150                        |
| 3Q FY-2003                | \$ 1,089,350                     | \$ 8,052,500                        |

XI. Certifications

In addition to the nine (9) assurances included below, the State acknowledges that there are six (6) additional assurances that the State has agreed to in either the Operating Agreement Between the State and EPA Region IV or the annual capitalization grants. These two documents are hereby incorporated into this IUP by reference

1. The State certifies that all drinking water facility projects in this Intended Use Plan identified in Section IV as being subject to the federal cross-cutting requirements are or will be in compliance with all such requirements prior to the State entering into an assistance agreement with the recipient.



2. The State certifies that it will make an annual or biennial report to the Regional Administrator on the actual uses of the funds and how the State has met the goals and objectives for the previous two fiscal years as identified in the IUP's; and to annually have conducted an independent audit of the funds to be conducted in accordance with generally accepted government accounting standards.

The State certifies that this Intended Use Plan has been subjected to public review and comment prior to final submission to EPA. The State certifies that it will follow the "Mississippi Administrative Procedures Law" in seeking public review and comments on this Intended Use Plan. A copy of the "Mississippi Administrative Procedures Law" is included as Appendix D to this Intended Use Plan.

A public hearing will be held on Monday, December 10, 2001 to receive written and oral comments on this Intended Use Plan. A transcript of the public hearing recording the comments and recommended solutions will be submitted to EPA along with the Final Intended Use Plan. If anyone would like to receive a copy of the public hearing transcript they should contact Chan Burns at (601) 576-7518 to request copies.

4. The State certifies that all drinking water facility projects in this Intended Use Plan are on the project Priority List developed pursuant to the requirements of Section 1452(b)(3)(B), SDWA.
5. The State certifies that it will enter into binding commitments for 120% of the amount of each payment (LOC) under the capitalization grant within one year after receipt of each payment (LOC).

The State certifies that it will commit and expend all DWSIRLF Fund monies as efficiently as possible, and to disburse the funds in a timely and expeditious manner.

7. The State certifies that it will conduct environmental reviews on all DWSIRLF cross-cutter equivalency projects in accordance with the State environmental review process.

The State certifies that prior to adding any new projects to the FY-2003 and After Planning List for the purpose of funding such a project during FY-2002, that the State will follow the "Mississippi Administrative Procedures Law" in amending this Intended Use Plan in order to allow for public review and comments

8. The State certifies that it has developed and will implement a capacity development strategy to assist public water systems in acquiring and maintaining technical, managerial, and financial capacity as required in Section 1420© of the 1996 Amendments to the Safe Drinking Water Act. This capacity development strategy was approved by EPA Region IV on September 21, 2000.

9. The State certifies that it has developed and submitted to EPA Region IV, on November 27, 2000, for review and approval the State's Operator Certification Program in accordance with the requirements of Section 1452(a)(1)(G)(ii) of the 1996 Amendments to the Safe Drinking Water Act.

## Appendix A

State of Mississippi DWSIRLF Program  
FY-2002 Assumed Available Funds

The following breakdown of funds is based on the actual appropriation of \$850 million, that the National Set-Aside Assumptions will remain the same, and a State allotment formula of 1.0% for the Drinking Water SRF in federal FY-2002.

|  |                |
|--|----------------|
| <u>FY-2002 National Title I DWSRF Appropriation</u>  | \$ 850,000,000 |
| (=) Mississippi Allotment [section 1452(m)]  | \$ 8,052,500   |
| (-) DWSRF Administrative Expenses<br>[section 1452(g)(2) - 4%]   | \$ 322,100     |
| (-) State Program Management<br>[section 1452(g)(2)]   | \$ 400,000     |
| (-) Small Systems Technical Assistance<br>[section 1452(g)(2) - 2%]  | \$ 161,050     |
| (-) Local Assistance & Other State Programs  | \$ 0           |
| (+/-) Receipt or Transfer of Funds to Clean Water<br>SRF Loan Fund (Section 302)                                       | \$ 0           |
| (=) Total FY-02 Federal Funds Available for DWSIRLF Loans  | \$ 7,169,350   |
| (+) FY-02 State Match Required (20% of Mississippi Allotment) <sup>1</sup>   | \$ 1,610,500   |
| (=) Total FY-02 Federal + Required State Match Funds   | \$ 8,779,850   |
| (+) FY-01 Funds Carried Over to FY-02 <sup>2</sup><br>(Not including the \$1,610,500 in FY-02 State Match shown above) | \$ 7,037,383   |
| (+) Anticipated SRF Loan Repayments through FY-02  | \$ 2,466,648   |
| (+/-) Net Amendments Processed from (10/01/01 – 10/31/01)  | \$ 131,119     |
| (+) Anticipated Interest Earnings on State Match during FY-02  | \$ 375,000     |
| (=) Total FY-02 Funds Available for New Loan Awards  | \$ 18,790,000  |
| (-) Total FY-02 Funds Needed For Projects  | \$ 25,570,000  |
| (=) FY-02 Funds Needed In Excess of Available Funds  | \$ 6,780,000   |

<sup>1</sup> During the Spring '95 Legislative Session, the Legislature passed House Bill No. 209 to establish a Local Governments and Rural Water Systems Improvements Revolving Loan Program and authorized the sale of \$15,000,000 in General Obligation Bonds to be deposited into the Loan Fund. One of the purposes stated in the law for these funds is that, "All or any portion of the monies in the fund may be used to match any federal funds that are available for the same or related purposes for which funds are used and expended under this act." \$10,000,000 of these General Obligation bonds were sold in May of 1997 and were deposited into the DWSIRLF fund on May 29, 1997. \$5,000,000 of these General Obligation bonds were sold and deposited into the DWSIRLF fund on October 5, 2000. \$3,294,840 was used as state match for the FY-97 Cap grant, \$1,654,340 was used as match for the FY-98 Cap grant, \$1,733,900 was used as match for the FY-99 Cap grant, \$1,802,020 was used as match for the FY-2000 Cap grant, \$1,809,480 was used as match for the FY-2001 cap grant, and \$1,610,500 will be used as match for the FY-2002 cap grant, which leaves \$3,094,920 in excess state match in the fund.

<sup>2</sup> See page 41

November 19, 2001

State of Mississippi DWSIRLF Program  
FY-2001 End of Year Funds Report

The following breakdown of funds is based on the actual appropriation of \$823 million, and National Set-Aside Assumptions and a State allotment formula of 1.16% for the Drinking Water SRF in federal FY-2001 will remain the same as in FY-2000.

|   |                |
|---|----------------|
| <u>FY-2001 National Title I DWSRF Appropriation</u>   | \$ 823,185,000 |
| (=) Mississippi Allotment [section 1452(m)]   | \$ 9,047,400   |
| (-) DWSRF Administrative Expenses<br>[section 1452(g)(2) - 4%]  | \$ 361,896     |
| (-) State Program Management<br>[section 1452(g)(2)]  | \$ 350,000     |
| (-) Small Systems Technical Assistance<br>[section 1452(g)(2) - 2%]   | \$ 180,948     |
| (-) Local Assistance & Other State Programs   | \$ 0           |
| (+/-) Receipt or Transfer of Funds to Clean Water<br>SRF Loan Fund (Section 302)                                | \$ 0           |
| (=) Total FY-2001 Federal Funds Available for DWSIRLF Loans   | \$ 8,154,556   |
| (+) FY-2001 State Match Required (20% of Mississippi Allotment) <sup>1</sup>                                    | \$ 1,809,480   |
| (=) Total FY-2001 Federal + Required State Match Funds  | \$ 9,964,036   |
| (+) FY-2000 Funds Carried Over to FY-2001<br>(Not including the \$1,809,480 in FY-2001 State Match shown above) | \$ 13,292,612  |
| (+) Additional State Match from Bonds Sold in 10/2000   | \$ 5,000,000   |
| (+) DSIRLF Loan Repayments Deposited (10/01/00 – 9/28/01)   | \$ 1,620,836   |
| (+) Interest on Fund Deposited (10/01/00 – 9/28/01)   | \$ 782,161     |
| (+) Net Amendments Processed from (10/01/00 – 9/07/01)  | \$ 353,308     |
| (=) Total FY-2001 Funds Available for New Loan Awards   | \$ 31,012,953  |
| (-) Total FY-2001 Funds Needed For Projects   | \$ 22,365,070  |
| (=) FY-2001 Funds Carried Over to FY-2002   | \$ 8,647,883   |

<sup>1</sup> During the Spring '95 Legislative Session, the Legislature passed House Bill No. 209 to establish a Local Governments and Rural Water Systems Improvements Revolving Loan Program and authorized the sale of \$15,000,000 in General Obligation Bonds to be deposited into the Loan Fund. One of the purposes stated in the law for these funds is that, "All or any portion of the monies in the fund may be used to match any federal funds that are available for the same or related purposes for which funds are used and expended under this act." \$10,000,000 of these General Obligation bonds were sold in May of 1997 and were deposited into the DWSIRLF fund on May 29, 1997. \$5,000,000 of these General Obligation bonds were sold in October of 2000 and were deposited into the DWSIRLF fund on October 5, 2000. \$3,294,840 will be used as state match for FY-97 Cap grant, \$1,654,340 will be used as match for the FY-98 Cap grant, \$1,733,900 will be used as match for the FY-99 Cap grant, \$1,802,020 was used as match for the FY-2000 Cap grant, and \$1,809,480 will be used as match for the FY-2001 Cap Grant which leaves \$4,705,420 in excess state match in the fund.

Appendix B  
I. Projected Schedule of Outlays for Projects (\$ Millions)

| Projects                                    | 2Q<br>FY-02 | 3Q<br>FY-02 | 4Q<br>FY-02 | 1Q<br>FY-03 | 2Q<br>FY-03 | 3Q<br>FY-03 | 4Q<br>FY-03 | 1Q<br>FY-04 | 2Q<br>FY-04 | 3Q<br>FY-04 | 4Q<br>FY-04 | Totals<br>In \$ Mil |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------------|
| City of Ocean Springs                       | \$0.00      | \$0.00      | \$0.00      | \$0.07      | \$0.03      | \$0.25      | \$0.25      | \$0.25      | \$0.08      | \$0.00      | \$0.00      | \$ 0.93 M           |
| Adams County Water Assoc                    | \$0.00      | \$0.00      | \$0.00      | \$0.09      | \$0.04      | \$0.38      | \$0.38      | \$0.12      | \$0.00      | \$0.00      | \$0.00      | \$ 1.01 M           |
| Bear Creek Water Assoc                      | \$0.00      | \$0.12      | \$0.28      | \$0.41      | \$0.41      | \$0.28      | \$0.00      | \$0.00      | \$0.00      | \$0.00      | \$0.00      | \$ 1.50 M           |
| J. P. Utility District                      | \$0.08      | \$0.03      | \$0.16      | \$0.24      | \$0.24      | \$0.15      | \$0.00      | \$0.00      | \$0.00      | \$0.00      | \$0.00      | \$ 0.90 M           |
| Central Rankin Water Assoc                  | \$0.02      | \$0.05      | \$0.10      | \$0.10      | \$0.00      | \$0.00      | \$0.00      | \$0.00      | \$0.00      | \$0.00      | \$0.00      | \$ 0.27 M           |
| East Oxford Water Assoc                     | \$0.00      | \$0.00      | \$0.00      | \$0.05      | \$0.02      | \$0.17      | \$0.17      | \$0.17      | \$0.07      | \$0.00      | \$0.00      | \$ 0.65 M           |
| Cleary Heights Water, Sewer & Fire District | \$0.00      | \$0.00      | \$0.00      | \$0.06      | \$0.02      | \$0.24      | \$0.24      | \$0.24      | \$0.08      | \$0.00      | \$0.00      | \$ 0.88 M           |
| Lewisburg Water Assoc                       | \$0.00      | \$0.00      | \$0.00      | \$0.10      | \$0.04      | \$0.27      | \$0.27      | \$0.27      | \$0.27      | \$0.08      | \$0.00      | \$ 1.30 M           |
| Hopewell Water Assoc                        | \$0.00      | \$0.00      | \$0.00      | \$0.04      | \$0.02      | \$0.13      | \$0.13      | \$0.13      | \$0.04      | \$0.00      | \$0.00      | \$ 0.49 M           |
| Ingomar Water Assoc                         | \$0.00      | \$0.00      | \$0.00      | \$0.07      | \$0.03      | \$0.25      | \$0.25      | \$0.25      | \$0.09      | \$0.00      | \$0.00      | \$ 0.94 M           |
| Collinsville Water Assoc                    | \$0.09      | \$0.03      | \$0.29      | \$0.29      | \$0.29      | \$0.29      | \$0.12      | \$0.00      | \$0.00      | \$0.00      | \$0.00      | \$ 1.40M            |
| Oak Grove Community Water Assoc             | \$0.00      | \$0.04      | \$0.06      | \$0.13      | \$0.13      | \$0.12      | \$0.00      | \$0.00      | \$0.00      | \$0.00      | \$0.00      | \$ 0.48 M           |
| Punkin Water Assoc                          | \$0.00      | \$0.00      | \$0.00      | \$0.08      | \$0.04      | \$0.23      | \$0.23      | \$0.23      | \$0.15      | \$0.00      | \$0.00      | \$ 0.96 M           |
| City of Starkville                          | \$0.00      | \$0.00      | \$0.13      | \$0.39      | \$0.39      | \$0.38      | \$0.00      | \$0.00      | \$0.00      | \$0.00      | \$0.00      | \$ 1.29 M           |

Appendix B  
I. Projected Schedule of Outlays for Projects (\$ Millions) – Cont.

| Projects                               | 2Q<br>FY-02 | 3Q<br>FY-02 | 4Q<br>FY-02 | 1Q<br>FY-03 | 2Q<br>FY-03 | 3Q<br>FY-03 | 4Q<br>FY-03 | 1Q<br>FY-04 | 2Q<br>FY-04 | 3Q<br>FY-04 | 4Q<br>FY-04 | Totals<br>In \$Mil |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------------|
| Nesbit Water Assoc                     | \$0.18      | \$0.56      | \$0.56      | \$0.18      | \$0.00      | \$0.00      | \$0.00      | \$0.00      | \$0.00      | \$0.00      | \$0.00      | \$ 1.48 M          |
| Jackson County Board<br>of Supervisors | \$0.00      | \$0.17      | \$0.55      | \$0.55      | \$0.18      | \$0.00      | \$0.00      | \$0.00      | \$0.00      | \$0.00      | \$0.00      | \$ 1.45 M          |
| City of Clinton                        | \$0.00      | \$0.00      | \$0.00      | \$0.09      | \$0.04      | \$0.31      | \$0.31      | \$0.31      | \$0.10      | \$0.00      | \$0.00      | \$ 1.16 M          |
| Hilldale Water District                | \$0.00      | \$0.00      | \$0.00      | \$0.03      | \$0.01      | \$0.09      | \$0.09      | \$0.09      | \$0.03      | \$0.00      | \$0.00      | \$ 0.34 M          |
| Magee’s Creek Water<br>Assoc           | \$0.00      | \$0.00      | \$0.00      | \$0.08      | \$0.04      | \$0.19      | \$0.19      | \$0.19      | \$0.19      | \$0.04      | \$0.00      | \$ 0.92 M          |
| ACL Water Assoc                        | \$0.00      | \$0.00      | \$0.00      | \$0.04      | \$0.02      | \$0.11      | \$0.11      | \$0.11      | \$0.05      | \$0.00      | \$0.00      | \$ 0.44 M          |
| Totals                                 | \$0.37      | \$1.00      | \$2.13      | \$3.09      | \$1.99      | \$3.84      | \$2.74      | \$2.36      | \$1.15      | \$0.12      | \$0.00      | \$18.79 M          |
| State Match (8.57%)                    | \$0.00      | \$0.06      | \$0.39      | \$0.57      | \$0.36      | \$0.23      | \$0.00      | \$0.00      | \$0.00      | \$0.00      | \$0.00      | \$ 1.61M           |
| Federal FY-2002 Cap.<br>Grant (38.16%) | \$0.00      | \$0.27      | \$1.74      | \$2.52      | \$1.63      | \$1.01      | \$0.00      | \$0.00      | \$0.00      | \$0.00      | \$0.00      | \$ 7.17M           |
| Other (53.27%)*                        | \$0.37      | \$0.67      | \$0.00      | \$0.00      | \$0.00      | \$2.60      | \$2.74      | \$2.36      | \$1.15      | \$0.12      | \$0.00      | \$ 10.01M          |

\* Other funds include DWSIRLF Bond proceeds and DWSIRLF Loan Repayments.

Appendix B  
 II. Projected Schedule of Outlays  
 for Set Asides (\$ Millions)

| Federal<br>Set-Asides                          | 3Q<br>FY-2002 | 4Q<br>FY-2002 | 1Q<br>FY-2003 | 2Q<br>FY-2003 | 3Q<br>FY-2003 | 4Q<br>FY-2003 | 1Q<br>FY-2004 | Totals |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------|
| Program Administration                         | \$0.18        | \$0.14        | \$0.00        | \$0.00        | \$0.00        | \$0.00        | \$0.00        | \$0.32 |
| State Program Mgmt                             | \$0.02        | \$0.10        | \$0.10        | \$0.10        | \$0.08        | \$0.00        | \$0.00        | \$0.40 |
| Small System Technical<br>Assistance Set-aside | \$0.02        | \$0.07        | \$0.07        | \$0.00        | \$0.00        | \$0.00        | \$0.00        | \$0.16 |
| Total Set-Asides                               | \$0.22        | \$0.31        | \$0.17        | \$0.10        | \$0.08        | \$0.00        | \$0.00        | \$0.88 |

## Appendix C

### Attachments for DWSIRLF Loan Application Package

1. Draft user charge ordinance/corporate resolution (DWSIRLF III.C.2.(b))
2. Draft water use ordinance/corporate resolution (DWSIRLF III.C.2.(c))
3. Contracts for professional services (DWSIRLF III.C.2.(d))
4. Procurement Certification (DWSIRLF III.C.2.(e))
5. Site certificate from Project Representative (ineligible) (DWSIRLF III.C.2.(f)(i))
6. Copies of appraisals for loan eligible land with a fair market value of \$5,000 or more (DWSIRLF III.C.2.(f)(ii))
7. Draft of options to purchase for loan eligible land (DWSIRLF III .C.2.(f)(ii))
8. Written request for the approval for the purchase price of all loan eligible real property (DWSIRLF III.C.2.(f)(ii))
9. Financial certification (local share) (DWSIRLF III.C.2.(g))
10. Financial capability summary (DWSIRLF III.C.2.(h))
11. Intergovernmental review process and State clearinghouse letter (DWSIRLF III.C.2.(i))
12. Legal certification from Loan Applicant and Applicant's Legal Counsel (DWSIRLF III.C.2.(j))
13. Resolution naming Project Representative and authorizing submittal of Loan Application (DWSIRLF III.C.2.(k))
14. Interlocal agreements (actual or proposed) (DWSIRLF III.C.2.(l))
15. Bid forms with cost estimates (DWSIRLF III.C.2.(m))
16. Certification regarding debarment, suspension and violating facilities (DWSIRLF Regulations, Appendix F)
17. Civil rights form 4700-4 (DWSIRLF Regulations, Appendix H)
18. Verification of tax exempt status, if applicable (DWSIRLF III.C.2.(o))
19. Request for Taxpayer Identification Number and Certification (IRS Form W-9)



(This Page Intentionally Left Blank)

## Appendix D

### Mississippi Administrative Procedures Law

#### CHAPTER 43

##### Administrative Procedures

Sec.

- 25-43-1. Short title.
- 25-43-3. Definitions.
- 25-43-5. Agency adoption of rules describing its organization and rules of practice; public inspection of agency rules, orders and decisions.
- 25-43-6. Economic impact statement, requirement and conditions.
- 25-43-7. Notice of proposed agency adoption, amendment or repeal of rules; emergency rules.
- 25-43-9. Filing of agency rules in office of secretary of state; effective date of rules.
- 25-43-11. Compilation and indexing of rules.
- 25-43-13. Notice of intended revocation, suspension, annulment or withdrawal of license; emergency suspension of license.
- 25-43-15. Application of conflicting statutory provisions governing agency procedures in contested cases.
- 25-43-17. Opponents of proposed rules to have opportunity to present their views and to review adverse rulings.
- 25-43-19. Proceedings to which chapter applicable.

##### **§ 25-43-1. Short title.**

This chapter shall be known and may be cited as the “Mississippi Administrative Procedures Law.”

**SOURCES: Laws, 1976, ch. 487, § 1, eff from and after January 1, 1977.**

##### **§ 25-43-3. Definitions.**

As used in this chapter:

- (a) “Agency” means each state board, commission, department or officer, other than the Legislature, the Governor and the courts, authorized by law to make rules or to determine contested cases.
- (b) “Contested case” means a proceeding, including but not restricted to rate-making, price-fixing and licensing in which the legal rights, duties or privileges of a part are required by law to be determined by an agency after an opportunity for a hearing, other than disciplinary proceedings or agency action involving only employees of an agency.

- (c) “Economic impact statement” means the statement required pursuant to Section 25-43-6 and which estimates the costs of implementation and enforcement of a rule.
- (d) “License” includes the whole or part of an agency permit, certificate, approval, registration, charter or similar form of permission required by law, but it does not include a license required solely for revenue purposes, and does not include any order, permit or license issued, granted, revoked, suspended, annulled or withdrawn by any state agency in compliance with statutory procedures or in compliance with published rules and regulations adopted by such agency under statutory authority.
- (e) “Licensing” includes the agency process respecting the grant, denial, renewal, revocation, suspension, annulment, withdrawal or amendment of a license.
- (f) “Person” means any individual, partnership, corporation, association, governmental subdivision or public or private organization of any character other than an agency.
- (g) “Rule” means each agency statement of general applicability that implements, interprets, or prescribes law or policy or describes the organization, procedure or practice requirements of any agency. The term includes the amendment or repeal of a prior rule but does not include (i) statements concerning only the internal management of an agency and not affecting private rights or procedures available to the public; or (ii) declaratory rulings issued pursuant to section 25-43-17; or (iii) intra-agency memoranda.

**Sources: Laws, 1976, ch. 487, § 2, Laws, 1995, ch. 499, § 2, eff from and after passage (approved March 28, 1995).**

**§ 25-43-5. Agency adoption of rules describing its organization and rules of practice; public inspection of agency rules, orders and decisions.**

- (1) In addition to other rule-making authority and requirements imposed by law, each agency shall:
  - (a) Adopt as a rule a description of its organization, stating the general course and method of its operations and the methods whereby the public may obtain information or make submissions or requests.
  - (b) Adopt rules of practice setting forth the nature and requirements of all formal and informal procedures available, including all requirements respecting the filing of applications for any license and the licensing procedure employed by the agency and the method whereby persons desiring notice of pending applications may obtain such notice and request an opportunity to be heard.
  - (c) Allow public inspection of all rules and other written statements of policy or interpretations formulated, adopted or used by the agency in the discharge of its functions.
  - (d) Allow public inspection of all final orders, decisions and opinions.

- (2) No agency rule, order or decision is valid or effective against any person or party, nor may it be invoked by the agency for any purpose, until it has been made available for public inspection as herein required. This provision is not applicable in favor of any person or party who has actual knowledge thereof.

**Sources: Laws, 1976, ch. 487, § 3, eff from and after January 1, 1977.**

**§ 25-43-6. Economic impact statement, requirement and conditions.**

- (1) Prior to giving the notice required in Section 25-43-7, each agency proposing the adoption of a rule or significant amendment of an existing rule imposing a duty, responsibility or requirement on any person shall consider the economic impact the rule will have on the citizens of our state and the benefits the rule will cause to accrue to those citizens. For the purpose of this section, a “significant amendment” means any amendment to a rule for which the total aggregate cost to all persons required to comply with that rule exceeds One Hundred Thousand Dollars (\$100,000.00).
- (2) Each agency shall prepare a written report providing an economic impact statement for the adoption of a rule or significant amendment to an existing rule imposing a duty, responsibility or requirement on any person, except as provided in subsection (4) of this section. The economic impact statement shall include the following:
- (a) A description of the need for and the benefits which will likely accrue as the result of the proposed action;
  - (b) An estimate of the cost to the agency, and to any other state or local government entities, of implementing and enforcing the proposed action, including the estimated amount of paperwork, and any anticipated effect on state and local revenues.
  - (c) An estimate of the cost or economic benefit to all persons directly affected by the proposed action;
  - (d) An analysis of the impact of the rule on small business;
  - (e) A comparison of the costs and benefits of the proposed rule to the probable costs and benefits of not adopting the proposed rule or significantly amending an existing rule;
  - (f) A determination of whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rule where reasonable alternative methods exist which are not precluded by law;
  - (g) A description of reasonable alternative methods, where applicable, for achieving the purpose of the proposed action which were considered by the agency and a statement of reasons for rejecting those alternatives in favor of the proposed rule; and
  - (h) A detailed statement of the data and methodology used in making estimates required by this subsection.

- (3) No rule or regulation shall be declared invalid based on a challenge to the economic impact statement for the rule unless the issue is raised in administrative proceedings before the agency. No person shall have standing to challenge a rule, based upon the economic impact statement or lack thereof, unless that person provided the agency with information sufficient to make the agency aware of specific concerns regarding the statement in a public meeting or hearing held by the agency or in written comments regarding the rule. The grounds for invalidation of an agency action, based upon the economic impact statement, are limited to the agency's failure to adhere to the procedure for preparation of the economic impact statement as provided in this section, or the agency's failure to consider information submitted to the agency regarding specific concerns about the statement, if that failure substantially impairs the fairness of the rule-making proceeding.
- (4) This section does not apply to the adoption or significant amendment of:
- (a) Any rule which is required by the federal government pursuant to a state/federal program delegation agreement or contract;
  - (b) Any rule which is expressly required by state law;
  - (c) An emergency rule adopted pursuant to Section 25-43-7(2); and
  - (d) Any rule for which the notice required in Section 25-43-7 has been given prior to the effective date of this act [Laws, 1995, ch. 499, eff March 28, 1995].

**SOURCES: Laws, 1995, ch. 499, § 1, eff from and after passage (approved March 28, 1995).**

**§ 25-43-7. Notice of proposed agency adoption, amendment or repeal of rules; emergency rules.**

- (1) Prior to the adoption, amendment or repeal of any rule, the agency shall give at least thirty (30) days' notice of its intended action. The notice shall include a statement of either the terms or substance of the intended action or a description of the subjects and issues involved, and the manner in which interested persons may present their views thereon. The notice shall be filed with the office of the secretary of state and mailed by the agency to all persons who have made timely request of the agency for advance notice of its rule-making proceedings. The secretary of state shall furnish copies at the request of any person and shall be reimbursed by the requesting person for the expense of providing such service.
- (2) If an agency finds an imminent peril to the public health, safety or welfare requires adoption of a rule upon fewer than thirty (30) days' notice and states in writing its reasons for that finding, it may proceed without prior notice of hearing or upon any abbreviated notice and hearing that it finds practicable to adopt an emergency rule. The rule may be effective for a period of not longer than one hundred twenty (120) days, renewable once for a period not exceeding ninety (90) days, but the adoption of an identical rule under subsection (1) of this section is not precluded.

- (3) No rule hereafter adopted is valid unless adopted in substantial compliance with this section. A proceeding to contest any rule on the ground of noncompliance with the procedural requirements of this section must be commenced within one (1) year from the effective date of the rule.

**Sources: Laws, 1976, ch. 487, § 4, eff from and after January 1, 1977.**

**§ 25-43-9. Filing of agency rules in office of secretary of state; effective date of rules.**

- (1) Each agency shall file in the office of the secretary of state a certified copy of each rule adopted by it, including all rules existing on January 1, 1977. The secretary of state shall keep a permanent register of the rules open to public inspection.
- (2) Each rule hereafter adopted is effective thirty (30) days after filing, except that:
  - (a) If a later date is required by statute or specified in the rule, the later date is the effective date.
  - (b) Subject to applicable constitutional or statutory provisions, an emergency rule becomes effective immediately upon filing with the secretary of state, or at a stated date less than thirty (30) days thereafter if the agency finds that this effective date is necessary because of imminent peril to the public health, safety or welfare. The agency's finding and a brief statement of the reasons therefor shall be filed with the rule. The agency shall take appropriate measures to make the emergency rules known to the persons who may be affected by them.

**Sources: Laws, 1976, ch. 487, § 5, eff from and after January 1, 1977.**

**§ 25-43-11. Compilation and indexing of rules.**

- (1) The agency shall compile and index all effective rules adopted and shall furnish the secretary of state with a copy of such rules and index. Compilations shall be supplemented or revised as often as necessary and at least once every two (2) years.
- (2) Copies of bulletins and compilations shall be made available by the secretary of state upon request to agencies and officials of this state at no cost to the agencies and officials. Other persons may receive copies by requesting them and by reimbursing the secretary of state for publication and mailing costs.

**Sources: Laws, 1976, ch. 487, § 6, eff from and after January 1, 1977.**

**§ 25-43-13. Notice of intended revocation, suspension, annulment or withdrawal of license; emergency suspension of license.**

No revocation, suspension, annulment or withdrawal of any license is lawful unless prior to the institution of agency proceedings the agency gives notice by mail to the licensee of facts or conduct which warrant the intended action and the licensee is given an opportunity to show compliance with all lawful requirements for the retention of the license. If the agency finds that

public health, safety or welfare imperatively requires emergency action and incorporates a finding to that effect in its order, summary suspension of a license may be ordered pending proceedings for revocation or other actions. These proceedings shall be promptly instituted and determined.

**Sources: Laws, 1976, ch. 487, § 7, eff from and after January 1, 1977.**

**§ 25-43-15. Application of conflicting statutory provisions governing agency procedures in contested cases.**

Specific statutory provisions governing agency procedures in contested cases which are in direct conflict with any of the provisions of this chapter shall continue to be applied to all proceedings of any such agency to the extent of such conflict only.

**Sources: Laws, 1976, ch. 487, § 8, eff from and after January 1, 1977.**

**§ 25-43-17. Opponents of proposed rules to have opportunity to present their views and to review adverse rulings.**

Each agency shall adopt procedures to assure that persons who give timely notice of their desire to contest the making of any rule shall have an opportunity to present their views and have the opportunity for review of adverse rulings.

**Sources: Laws, 1976, ch. 487, § 9, eff from and after January 1, 1977.**

**§ 25-43-19. Proceedings to which chapter applicable.**

This chapter shall not apply to proceedings pending on January 1, 1977, but shall apply to all agencies and agency proceedings thereafter begun and not expressly exempted herein.

**Sources: Laws, 1976, ch. 487, § 10, eff from and after January 1, 1977.**

## Appendix E

### STATE OF MISSISSIPPI SMALL SYSTEMS TECHNICAL ASSISTANCE SET-ASIDE WORK PLAN

#### INTRODUCTION

The Mississippi Local Governments and Rural Water Systems Improvements Board proposes to use the Drinking Water State Revolving Loan Fund's Small Systems Technical Assistance Set-aside in an assistance and training program directed at improving the technical, managerial and financial capabilities of small community public water systems in the state. The goal of this program is to assure that assistance is provided to all small community public water systems that require such assistance to maintain adequate technical, financial, and managerial capabilities necessary to comply with requirements of the Safe Drinking Water Act.

#### PROGRAM ACTIVITIES

The proposed technical assistance program is subdivided into four major categories of activities that will be accomplished through contracts with qualified organizations that are experienced in providing the type of support required by each activity. The four major categories of activities listed below may be updated and/or revised as a result of work plan reviews that will be conducted annually during the life of the program. Amendments will be submitted whenever activities or budgets change and when required to extend the term of the work plan.

1. **Special Assistance to Referred Systems.** The following types of support will be provided to small community public water systems referred by the Mississippi State Department of Health (MSDH) for assistance in attaining and/or maintaining essential technical capabilities. Providers will be required to furnish support services until the objective of the referral is satisfied, or an alternative solution is implemented. Extended periods of assistance may be required.
  - A. On-site assistance to systems referred by the MSDH in applying for and securing DWSRF loans and/or other means of financing water system improvements.
  - B. Services to assess and evaluate the relative financial, managerial, and technical capacity of perspective DWSRF loan recipients. Necessary assessment tools will be developed and tested as part of the program.
  - C. On-site assistance to small systems referred by the MSDH that are required to receive on-site training and technical assistance as a condition for DWSRF loan approval.
  - D. On-site assistance to small community water systems identified by the MSDH as systems requiring restructuring as a condition for receiving DWSRF financial support.



|   |
|---|
| <b>Special Assistance to Referred Systems</b> |
|---|

|   |
|---|
| <u>Activity Objectives</u><br>Provide on-site technical assistance to resolve problems identified by MSDH. An average of one water system per month will be referred for long term assistance under this contract.  |
| <u>Reporting/Evaluation</u><br>Written progress reports using a format approved by the State will be furnished monthly to MSDH by the provider. The provider and MSDH will meet quarterly to review progress and problems encountered in conducting the program. Evaluation and accountability will be accomplished primarily through the written monthly progress reports. Modifications to the scope of work can be made when indicated by program evaluations. |

2. **Management Training for Water System Officials.** Provide training to public water system officials in the state to implement provisions of the Mississippi Safe Drinking Water Act of 1977 that require all members of governing boards of small community public water systems in the State receive training on water system management and financing, rate setting and structures, operation and maintenance, applicable laws and regulations, ethics, the duties and responsibilities of board members, and other subjects necessary to properly prepare board members to carry out the responsibilities of their positions. Training sessions will be scheduled for times and locations throughout the State to encourage attendance and minimize interference to other activities of attending board members.

|   |
|---|
| <b>Management Training for Water System Officials</b> |
|---|

|  |
|--|
| <u>Activity Objectives</u><br>Using training materials and lesson plans approved by the MSDH, conduct a minimum of 2 training sessions per month (30 people per session) for governing boards of small community public water systems.   |
| <u>Reporting/Evaluation</u><br>Written monthly reports using a format approved by the State will be furnished by the provider to the MSDH. The report will include the number and location of training sessions conducted the previous month, the number of attended at each session and the schedule for the following month. Randomly selected sessions will be monitored by the MSDH for performance evaluations. |

3. **On-site Technical Assistance and Volunteer System Review Program.** The following support will be provided small community public water systems through this activity:
- A. Provide on-site technical assistance and one-on-one training to operators of water systems serving populations of 10,000 or less in meeting compliance standards of the Safe Drinking Water Act. Water systems will be routinely visited following a schedule that includes visiting a minimum of 210 water systems annually. Problem areas will be identified and technical assistance (to include one-on-one training) will

be provided to correct operational problems, reduce water loss, achieve optimum water production, comply with state and federal monitoring requirements, analyze utility costs and rate structures, and maintain proper records and books. The technical assistance and training portion of this activity will be structure to supplement and enhance the efforts of other organizations providing similar services and to avoid duplication of effort. The plan and schedule for visiting and providing technical assistance to water systems will be coordinated with the MSDH. Priority will be given to systems referred by the MSDH.

- B. Implement and operate a volunteer system review program for small water systems in the state. Provide system review training to experienced water system personnel who will serve on the review teams. Maintain a directory of trained system review personnel. Receive requests for system reviews, organize teams, coordinate scheduling and performance of system reviews and provide necessary administrative and logistical support (necessary equipment and materials, supervision of report preparation, clerical support and maintenance of records) required to operate a successful system review program.

#### **On-site Technical Assistance and Volunteer System Review Program**

##### Activity Objectives

Provide on-site technical assistance and one-on-one training for water system operators at a minimum of 210 water systems per year.

Conduct a minimum of 10 system review training sessions per year for water system personnel who will perform system reviews. Using a directory of trained water system operators maintained by the provider, organize and equip teams required to meet requests received for volunteer system reviews. Provide necessary administrative support for the team to complete their review and prepare a report of findings and recommendations.

##### Reporting/Evaluation

A daily log of all on-site technical assistance activities will be maintained using daily log forms furnished by the MSDH. Written monthly reports using a format approved by the State will be furnished by the provider to the MSDH. The report will include the log of technical assistance activities for the previous month, the number and locations of system reviews conducted the previous month, the number and location of system review training sessions conducted the previous month, the number of attendees at each session and the schedule for the following month. Evaluation and accountability will be accomplished primarily through the written monthly reports. Randomly selected system review training sessions will be monitored by the MSDH for performance evaluations. Quarterly review sessions will be conducted by the MSDH and the provider to assess the program's progress and make adjustments as necessary.

4. **Remedial Accounting Training.** Remedial Training will be provided to personnel of small community water systems referred by the MSDH to equip them to properly maintain financial records and prepare annual financial statements for customers in accordance with state law.

| <b>Remedial Accounting Training</b>   |
|---|
| <p><u>Activity Objectives</u></p> <p>Provide remedial training to personnel of small community public water systems referred by the MSDH to equip them to properly maintain financial records and prepare annual financial statements for customers in accordance with state law. Twelve group training sessions (15 people per session) and 12 on-site individual sessions will be conducted each year.</p> <p><u>Reporting/Evaluation</u></p> <p>Evaluation of performance in meeting objectives will be based on quality of financial record maintenance and reporting by referred water systems after completion of training.</p> |

## **AGENCY RESPONSIBILITIES**

The Local Governments and Rural Water Systems Improvements Board will conduct Small Systems Technical Assistance Set-Aside activities through contracts with providers who will be selected following procedures of the State of Mississippi Personal Services Contract Procurement Regulations. All providers will report to and be responsible to the MSDH for all contract activities. No additional FTE requirement is anticipated for state agencies to implement the provisions of this set-aside.

## **Appendix F**

# **STATE OF MISSISSIPPI STATE PROGRAM MANAGEMENT SET ASIDE ANNUAL WORKPLAN**

## **Section 1452(g)(2) Safe Drinking Water Act Amendments of 1996**

### **BACKGROUND**

On November 9, 2001 the Local Governments and Rural Water Systems Improvements Board (Board) will publish a legal notice requesting public comments on the Draft FY-02 Intended Use Plan that will set aside \$400,000 of the State's FY-02 DWSRF capitalization grant for State Program Management activities to support the Mississippi State Department of Health, FY-03 Public Water Systems Supervision Program (FY-02 PWSS Program) as allowed under Section 1452(g)(2) of the Safe Drinking Water Act Amendments of 1996. After a public comment period meeting the 30 day minimum period required by State law, a public hearing will be held on December 10, 2001 to receive and consider comments from the public on the draft IUP. If there are no adverse comments concerning the amount of the State Program Management Set Aside, the Board will adopt the Final FY-02 IUP at its December Board meeting on December 16<sup>th</sup> to become effective on January 16, 2002.

This workplan describes how FY-02 DWSRF State Program Management set aside funds will be expended to support the FY-03 PWSS Program.

### **FUNDING AMOUNT**

The State reserves \$400,000 of its FY-02 Drinking Water State Revolving Fund capitalization grant to be set aside for State Program Management activities to support the FY-03 PWSS Program. The reserved amount represents 4.7% of the State's FY-02 capitalization grant and is specified for expenditure during FY-03. The State has no plans to reserve any unspecified funds from the FY-02 DWSRF capitalization grant to be reclaimed from future capitalization grants for State Program Management activities.

### **NUMBER OF FTE's PROJECTED FOR IMPLEMENTING THIS SET ASIDE**

The State projects forty-two (42) FTE's will be required to implement the FY-03 PWSS Program. \$350,000 reserved from the FY-02 DWSRF Capitalization Grant for State Program Management activities will fund salary and fringe benefits for seven (7) of these FTEs. The remaining \$50,000 will be used for contractual services for technical assistance.

### **GOALS, OBJECTIVES, OUTPUT AND DELIVERABLES**

The MSDH, FY-03 Workplan is made a part of this workplan by reference. The commitments as stated in the PWSS Workplan are adopted as commitments of the State Program Management set aside.

**SCHEDULE FOR COMPLETING ACTIVITIES**

The schedule for completing State Program activities under this workplan will be the schedule established by dates entered in the “Date Due” column of the MSDH, FY-03 PWSS Workplan.

**AGENCY RESPONSIBILITIES**

The Mississippi State Department of Health is the agency responsible for implementing required activities under the State Program Management set aside.

**EVALUATION PROCESS TO ASSESS THE SUCCESS OF SET ASIDE ACTIVITIES**

The success of State Program Activities will be defined by the ability of the MSDH to successfully meet commitments in the FY-03 PWSS Workplan. Quarterly and annual reports/submittals required by the PWSS program include documentation and evaluation of ongoing program implementation and success in meeting stated commitments.

## Appendix G

### TABULATION STATE OF MISSISSIPPI STATE PROGRAM MANAGEMENT SET ASIDE MATCH REQUIREMENTS

#### Mississippi 1:1 Requirement for FY 2002 State Program Management Set Aside

|   | FY 1993   | FY 2002      |
|---|-----------|--------------|
| PWSS Grant  | \$769,600 | \$ 1,130,500 |
| State Required Match for PWSS Grant                       | \$256,533 | \$ 376,833   |
| Actual State PWSS Contribution                            | \$256,533 | \$ 1,510,771 |
| State PWSS Overmatch                                      | \$0       | \$ 1,133,938 |
| State PWSS Expenditures <u>Eligible</u> for 1:1 SPM Match | \$134,078 | \$ 1,133,938 |
| State PWSS Expenditures <u>Claimed</u> for 1:1 SPM Match  | \$0       | \$ 400,000   |

Mississippi requests that \$400,000 of its FY-2002 DWSRF capitalization grant be set aside for State Program Management (SPM) to support Public Water Supply Supervision (PWSS) activities. To comply with the additional 1:1 match requirement for SPM set asides, \$400,000 in additional State funds will be required. The State provided \$1,133,938 above the State's PWSS match requirement in FY-02. In accordance with Section 1452(g)(2) of the Safe Drinking Water Act of 1996, the State claims \$400,000 from its FY-02 PWSS overmatch as credit to satisfy the \$400,000 additional State match required to set aside \$400,000 of its FY-02 capitalization grant for SPM activities.